

# *The* **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

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In the Ætna Life it's the Estate Control Plan. It photographs a prospect's estate. He never likes the picture. It over-exposes defects. Incredulous, he gasps, "My family couldn't live on that!" . . . Have you ever heard a distraught man beg for more insurance than he can have?

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THE ÆTNA CASUALTY AND SURETY COMPANY

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THE STANDARD FIRE INSURANCE COMPANY

Hartford, Connecticut

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**FRIDAY, DECEMBER 8, 1944**

...from an  
agent's angle

Continental is an agent's  
way of spelling cooperation  
... sympathetic cooperation ...  
the kind that builds an agent's  
business. It is effective because  
it is based upon an under-  
standing of an agent's prob-  
lems ... from an agent's angle  
... gained thru the workaday  
field activities of our entire  
executive organization. Perhaps  
we can help you go after results  
and get them!

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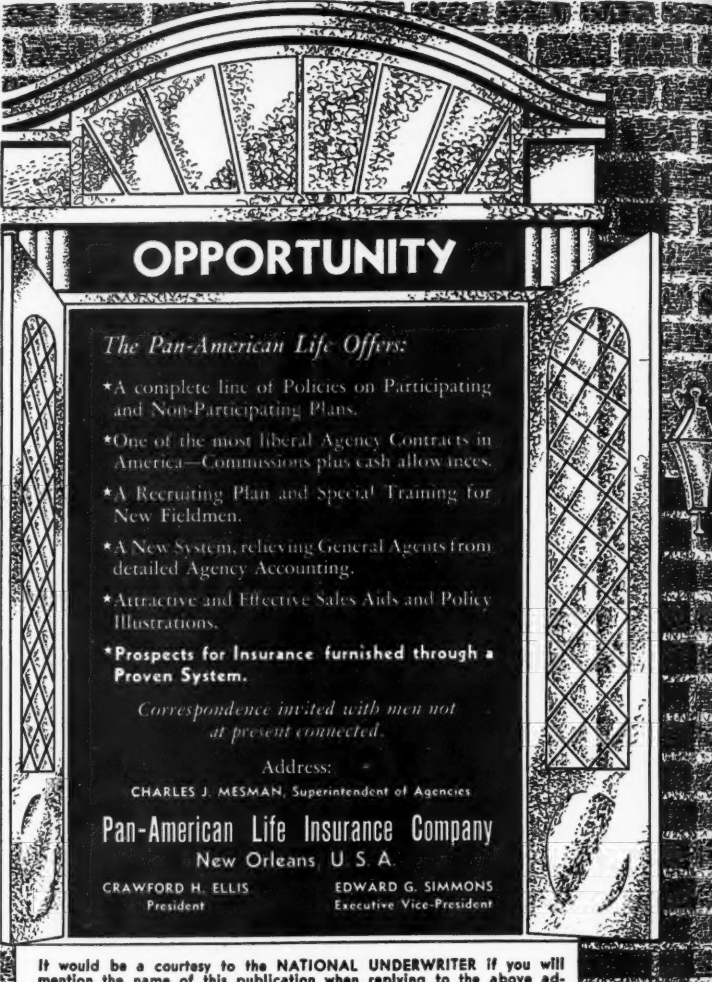
# Continental

## ASSURANCE COMPANY

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Affiliates:

CONTINENTAL CASUALTY COMPANY  
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**OPPORTUNITY**

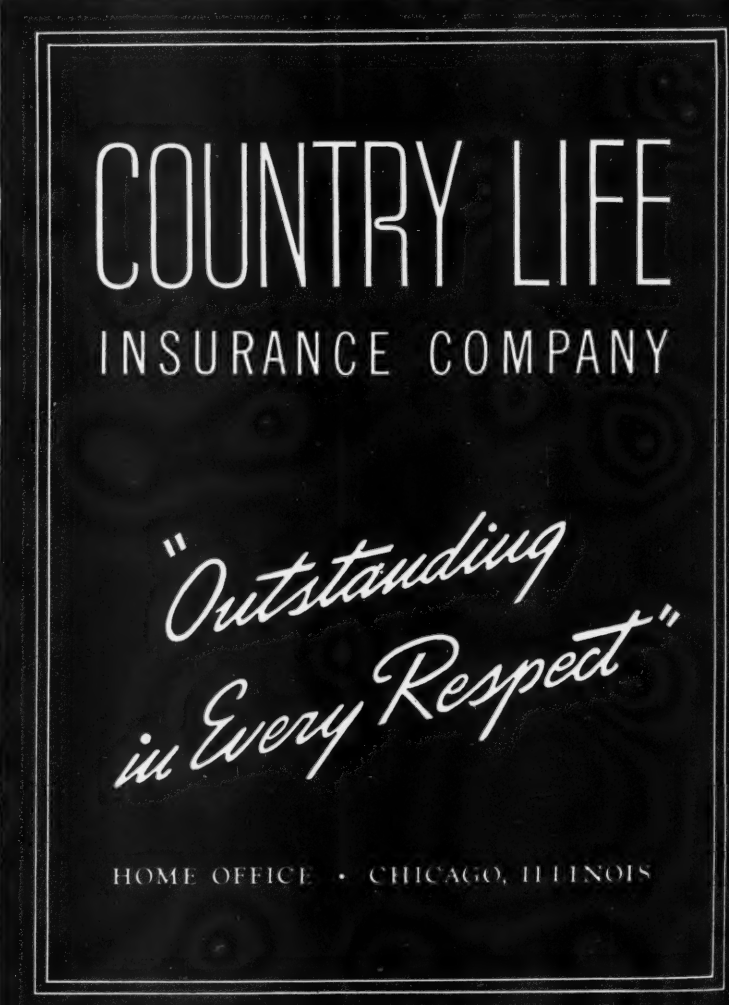
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It would be a courtesy to the NATIONAL UNDERWRITER if you will mention the name of this publication when replying to the above advertisement. Pan-American Life Insurance Company.



# COUNTRY LIFE

## INSURANCE COMPANY

*"Outstanding  
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## Assets Set at 41 Billion, in Force Over 148 Billion

### Fulton Presents Estimates on Year's Operations Before LIA

NEW YORK—Life company assets at the end of this year will total about \$41 billion, said James A. Fulton, president of Home Life of New York, in his report as president of the Life Insurance Association of America, successor to the Life Presidents Association, at the first annual meeting of the new organization.

Mr. Fulton pointed out that the entire long-term debt of the country, according to the National Industrial Conference Board, is only about \$30 billion as against \$33.5 billion at the end of 1933, when life insurance assets were \$10 billion. This, he said, focuses attention on the problems which life insurance companies must face in investing the funds in their custody in order to be able to meet their obligations.

Production for the year will total about \$14,150,000,000, which is 4% greater than for 1943 and will be the biggest year's production since 1931. Insurance in force at the end of 1944 will amount to some \$148,400,000,000, owned by about 70 million policyholders.

### Government Bond Holdings

By the end of 1944, \$16.5 billion or 40% of the companies' assets will be invested in government bonds. This is contrasted with 21% so recently as 1941. The increase represents the contribution which life insurance is making to war financing, but it also represents other problems, he said.

"It would be safe to assume that by the time the war is over, half the assets of American life insurance will be invested in government bonds," said Mr. Fulton. "From another angle this gives our policyholders a tremendous stake in the financial health of the nation. Can we properly stay aloof from concern with those factors which shall assure its financial health?"

"Our holdings of corporate obligations total \$11 billion, or about 27% of our assets. Of this amount \$5.5 billion is in utility bonds, \$3 billion in railroads, and \$2.5 billion in other corporate obligations. These figures seem to spell out the necessity for the closest examinations of those trends in government and business which can adversely affect those obligations. Six billion dollars, or nearly 16% of our assets, are invested in mortgages. Here, therefore, is another field with which we are deeply concerned. What ought we to do? I do not have an answer to that. I am clear, however, that we will not be fulfilling our obligations to our policyholders unless we find out what we can do."

### "Research" Not Academic

Referring to the report of the committee on investment research, to be presented later, Mr. Fulton said he wished there were some other word than "research" to define the process of finding facts. He said the term conjures up pictures of test tubes, abstruse methods, and the rarefied atmosphere of the campus. But the plain fact is that a condition precedent to any sound action in

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## Business Liquidation Forum Conducted at Chicago

There is a great opportunity for life men to finance business purchase agreements by means of life insurance, Harry T. Wright, Equitable Society, Chicago, past president National Association of Life Underwriters and Chicago association, and past chairman Million Dollar Round Table, told a forum on "Opportunities to Sell Life Insurance for Business Liquidation" conducted by the Chicago Life Insurance & Trust Council.

Two other speakers, Allan B. Husander, secretary Continental Illinois National Bank, and Thomas S. Edmonds of Gordon, Buckley & Edmonds, law office, both of Chicago, discussed the trust and legal aspects of the topic.

### Present Tax Creates Problem

"I think life insurance men from here on must secure a very substantial part of their premium income from corporate funds," Mr. Wright said. "A lawyer or good trust man could not be of very much help to his client in a business purchase arrangement unless the money were there to purchase the stock when the owner of it should die. How is the average business man and stockholder going to set aside that money under the present tax brackets?"

Mr. Wright quoted some figures made public recently by Julian S. Myrick, vice-president of Mutual Life, N. Y., showing that under the present tax brackets, no matter how much a man makes he has very little left. He broke the figures down to show that to create a net estate of \$100,000 in 10 years a man would have to have an income of \$85,000 and leave \$107,000 on account of death taxes, and, eliminating interest, would have to save \$10,700 annually for 10 years. Income tax on \$85,000 would be \$58,000, and net amount available for living expenses \$16,300. On a \$250,000 net estate \$320,000 would be needed on account of death taxes, with \$32,000 a year saving for 10 years. Income tax on \$600,000 is \$538,000, which added to the \$32,000 payment totals \$570,000, so only \$30,000 remains available for personal and living expenses. Over 20 years a man would have to save \$16,000 annually to create \$320,000, and if his annual earnings were \$190,000 a year he would be compelled to pay \$153,000 income taxes, plus \$16,000 annual savings, leaving only \$21,000 available for living expenses. Mr. Wright uses these figures most effectively with prospects to prove that the business purchase agreement cannot well be financed today except through life insurance.

### Must Be Available at Once

He said to do the greatest good the fund upon the death of a principal stockholder should become immediately available. He pointed out a strong argument for the life insurance funding plan is that even assuming the assured lives for his life expectancy his personal or business life insurance on the average will pay between 2 and 3% net, which he said is anywhere from two to five times the amount that many firms are making today after they pay their taxes.

"It is surprising but nevertheless true," he said, "that many business men do not know, nor do they realize the advantage to them, that the increase in cash values on personal or business insurance does not have to be included in current income. In a corporate structure, if a stockholder dies without a stock purchase agreement having been executed, the other stockholders may not be willing or able to purchase the stock from his estate. The corporation may be unwilling or unable to pay a fair price,

and the widow may be unwilling even to sell at a reasonable price because she thinks her husband was underpaid and really was the most important factor in the firm. So it is dangerous and a very unsatisfactory situation for both the corporation and the deceased stockholder's beneficiary. Distressed stock on the market may depress or even destroy the value of the deceased's own stock.

### Value on Stock Is Vital

"With regular corporation taxes that are record high, and in addition the excess profits tax now going to 95%, it becomes rather obvious that the greatest care must be taken in placing a value on stock that would be purchased at death by another stockholder or surviving partner. The shrinkage after corporation and excess profits tax and further shrinkage by reason of the individual's personal income tax, is tremendous."

He said it is not sound business to attempt to purchase the stock out of future earnings, if any, or to borrow the money and then try to pay it back, because to do either is to mortgage future earnings. These facts, he said, are elementary but it is surprising how few business men of closed corporations and partnerships know the right answer. They are most appreciative when the solution is presented to them by life agents, trust men and lawyers.

Mr. Wright said a business purchase agreement could be financed in any one of four ways: (1) Use the personal fortune, if one exists; (2) take the money out of future earnings, if there are any; (3) try to borrow the money and pay interest on it; (4) the easy way, fund it with a life insurance policy. He commented that the first three ways lack liquidity and might lead to insolvency.

### Great Service to Clients

"The life insurance man should induce his client to finance stock and partnership purchase agreements by life insurance," Mr. Wright said. "One of the great problems in creating a fund to purchase the stock of a principal stockholder without employing life insurance is the indefiniteness of death. It is difficult to make provision other than through life insurance for a contingency which will occur at so uncertain a time." He said life insurance is peculiarly and perfectly suited to this situation.

The situation which confronts any active partner or owner in a business is that no partner wants to be in business with his partner's wife, and none wants his wife to be in business with his associates. If the stock or partnership purchase agreement is sold first, the question of life insurance to fund it quite naturally comes up.

While business insurance is not a deductible expense in filing the income tax return, Mr. Wright said, it is not difficult to secure the prospect's agreement that it is better not to deduct this expense from the corporate income tax return, for if the premium is taken as deductible, proceeds of the policy less the premium paid must be shown as earned income in the year, making it taxable.

### Gives Time to Partners

He pointed out that in case a 20 payment life insurance contract be used to fund the purchase, the surviving partners or stockholders are given that length of time in which to complete the purchase transaction, and if an ordinary

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## Commissioners Hold Focus on Federal Legislation Issue

### N.A.I.C. at N. Y. Meeting Endorses Harrington Committee Proposals

By C. M. CARTWRIGHT

The 1945 annual N.A.I.C. meeting will be held at St. Paul, with the dates to be fixed later.

NEW YORK—At the midyear meeting of the National Association of Insurance Commissioners the all-important question was what procedure to take with regard to federal legislation to protect insurance in view of the U. S. Supreme Court decision. The present Congress will adjourn in a few weeks. Hence if anything is to be done, action must be taken without delay.

The machinery has been clogged because of differences of opinion among organizations and those holding commanding positions. All have gotten out recommendations. The federal legislation committee of commissioners headed by Harrington of Massachusetts has been studying all angles diligently, endeavoring to bring together suggestions that would meet with general approval. The commissioners finally agreed on a series of recommendations which were submitted to members of Congress.

President N. R. Johnson of Minnesota and Mr. Harrington personally took the document to Washington, sent one to each legislator and conferred with many of them regarding the situation and the recommendations. All other questions and problems were submerged as this one big issue cast its shadow over the entire assembly.

The executive committee decided to make its Sunday afternoon session one of the entire body and an executive session was held at which the historical facts were presented and the commissioners brought up to date as to what had been done since the meeting last month at the Edgewater Beach hotel at Chicago when the recommendations were agreed upon.

At Monday morning's session Scheufler of Missouri, executive committee chairman, gave a review of the situation and told what had taken place. At the close of his reading a motion was presented to approve the report which meant the endorsement of the recommendations made by the federal legislative committee. Carlson of Utah stated that he desired to ask a question, a hasty conference was held around President Johnson and Fischer of Iowa at once moved that an executive session be held. As a matter of fact, Mr. Carlson did not intend to oppose the report but felt that it should be more stringent. The executive session continued until late in the afternoon when the report was adopted by a sweeping majority, two opposing it because they desired some changes and one state not voting.

The upshot of the session was a resolution which was unanimously adopted. It was felt that owing to the necessities of the hour, and the short time before Congress adjourns, some action should be taken. The commissioners were encouraged by the fact that in

(CONTINUED ON PAGE 6)



## Adams Is Named Board Chairman of Institute

**Holgar Johnson Explains Educational Program—Public Relations Stressed**

NEW YORK—Claris Adams, president Ohio State Life, was elected chairman of the board of the Institute of Life Insurance at its annual meeting succeeding John A. Stevenson, president Penn Mutual. H. J. Johnson, president, and D. L. Dunbar, secretary, were re-elected. Mr. Stevenson, who has been ill, could not attend, but Mr. Johnson



CLARIS ADAMS

reported he was coming along nicely. G. S. Nollen, president Bankers Life of Iowa, immediate past chairman, who has assumed many responsibilities during Mr. Stevenson's illness, presided.

New directors are A. M. Collens, president Phoenix Mutual; F. P. Samford, president Liberty National, and L. A. Lincoln, president Metropolitan. Directors reelected are G. L. Harrison, president New York Life; A. J. McAndrew, president Lincoln National, and Mr. Stevenson. There are 14 other directors.

Mr. Adams becomes ex-officio chairman of the executive committee and Mr. Lincoln and A. N. Mitchell, president Canada Life, were elected to the executive committee.

### Activities Outlined

The diversified and numerous activities effectively carried on by the institute in promoting better relations for life insurance with the public were described by Mr. Johnson and outlined with the aid of large charts. Mr. Johnson emphasized the social responsibility of the business to the public in considering this subject, stating that the growing social trend in our national life cannot be overlooked. While the average citizen's holdings of life insurance are impressive, he suggested there may be economic or geographic groups which have not benefited from the services the business has to offer, recommending that studies be made to ascertain how far life insurance has penetrated through all segments of society and how its services may be better utilized.

One of the services the institute has

(CONTINUED ON PAGE 10)

## Prudential Trade Mark Painting



Carroll M. Shanks, executive vice-president of Prudential, is here receiving a reproduction in oil of the Rock of Gibraltar, famed Prudential trademark which was done by Lillian Agugliaro, a clerk in Brooklyn 11 district of Pru-

dential. The group consists of R. M. Wickham, assistant manager of Division B; Mr. Shanks, Miss Agugliaro, George J. Schneider, superintendent of Brooklyn No. 11, and T. H. Lindner, supervisor of field personnel.

### Social Security Tax Freeze Passes House

WASHINGTON—With the recommendation of the House ways and means committee the bill to freeze social security old-age and survivors insurance taxes at 1% for 1945 passed the House after three hours debate.

The bill provides for a tax rate of 2½% for the three following years and 3% annually beginning in 1949.

Rep. Doughton announced that his committee decided unanimously "to commence a study, at an early date, of what constitutes an adequate contingent reserve fund and the rates required to produce and maintain that fund on a sound financial basis." In this it was indicated, the committee will "have the benefit of expert advice based upon the experience of the past nine years."

### Martin Spearheads La. Federal Legislation Drive

Questions raised by the decision of the Supreme Court in the S. E. U. A. case were discussed by Secretary of State Wade O. Martin, Jr., of Louisiana, at a meeting in Baton Rouge. The meeting called by Mr. Martin was attended by representatives of most of the insurance companies. As a result of the decision, Mr. Martin declared that state revenues of approximately \$1,250,000 are endangered.

Mr. Martin, who as ex-officio insurance commissioner attended the recent meeting of commissioners in Chicago, explained the legislative program approved by the commissioners and outlined the principal features. Charging that the decision had completely changed the concept of regulatory powers which prior to the ruling had prevailed in the courts, Congress and the nation, Mr. Martin predicted that without immediate corrective action a multitude of law suits both civil and criminal may develop. The group selected Mr. Martin to head the program in seeking proper legislative action on the part of Congress.

### Completes Pension Study

George B. Buck, New York actuary, engaged for several months by the Chattanooga board of education, has completed the necessary study for drafting a pension program for teachers and principals of city schools. He had previously completed a similar plan for teachers and principals of the state, which has been accepted by the Tennessee Education Association, but must be approved by the legislature in January.

### Supreme Court Defers Pertinent Tax Decision

The U. S. Supreme Court this week passed up a chance to lay down rules that would have been helpful to insurance companies in meeting the problem of the constitutionality of state premium taxes. In its opinion in the suit of Spector Motor Service, Inc., against Connecticut, the Supreme Court was asked to determine whether a franchise tax levied by Connecticut on wholly interstate business was valid.

### Waits for State Court

The court held that Connecticut's highest court had not construed the statute and that until that had been done the Supreme Court would not act. The case was remanded to the federal district court to await determination in the state courts. The federal district court had upheld the motor carrier but was reversed on appeal to the circuit court of appeals. The latter's reason was that it believed in the light of the Supreme Court's decisions in recent years the high court would uphold the tax.

### Asst. General Counsel of Companies' Organization

NEW YORK—John V. Bloys, attorney of the Life Insurance Association of America, was elected assistant general counsel at the annual meeting. All other officers were re-elected.

Mr. Bloys joined the association's law department in 1931 after having been in the general practice of law with Joseph Atz, New York City. He was advanced to assistant attorney in 1935 and to attorney in 1941. He has specialized in tax work and has had a part in handling most of the association test suits and other cases in which it has been interested. Congressional legislation has been his responsibility for some years. Also he has attended a number of state legislative sessions.

A graduate of Lafayette College, Mr. Bloys received his law degree from Columbia. Before attending law school for a short time he taught mathematics at Roxbury high school, Kenilworth, N. J.



John V. Bloys

## Two Minutes to Go with Ball on the 40-Yard Line

**Watch Stock Fire Group for Last Minute Washington Rapprochement**

NEW YORK—With the stock fire-marine and casualty plenipotentiaries away in Washington, it appeared that if there were to be a last-minute rapprochement with the commissioners on the question of federal legislation it would materialize at Washington rather than in the final deliberations of the National Association of Insurance Commissioners' meeting here.

Last week the stock fire, marine and casualty companies appointed a committee with full power to take any action it deemed advisable in connection with the federal legislative program. That committee, now in Washington is the only authorized spokesman for these companies. President Johnson of the N.A.I.A., armed with full authorization to get the commissioners' program enacted in its present form or one consistent with its basic principles, was staying here only long enough to straighten out final details before he, too, headed for Washington.

As the N.A.I.C. meeting drew near its close the feeling among commissioners and company men alike was that with Congress aiming for a mid-December adjournment there was not an hour to be wasted in getting needed legislation enacted. Among those familiar with congressional procedure the fear was that leaders in both houses, with an eye on the calendar, would shortly agree to consider no controversial bills or to limit consideration to certain specified bills, which might very well freeze out either the Bailey-Walter bill or the commissioners' proposal.

"We're on the 40-yard line with two minutes to play and that's not so good in any football game," a fire company executive remarked.

### Exemption Period at Issue

Several congressmen have told insurance men that they don't like the feature of the commissioners' proposal which gives a blanket exemption from the Sherman act until July 1, 1948, except for boycott, coercion, or intimidation. They feel that the exemption period is unduly long and wonder whether there is some political strategy involved.

There are quite a few here at the convention who feel that it is extremely important to get some sort of bill through the present session of Congress. They say that if the matter goes over to the next session and the industry and the commissioners are still not agreed it will be easy for the federal supervision advocates to move in with their own remedies.

### OUTLOOK IN WASHINGTON

WASHINGTON—As the 78th Congress moved down the home stretch toward its dissolution in a holiday recess the outlook for insurance legislation seemed to observers here to blacken, although respective supporters of the Walter bill and of the N.A.I.C. draft substitute were hopeful of action within a few days.

Senator McCarran, judiciary committee chairman, upon whom supporters of the Walter bill have relied to call it up in the senate, was still absent. His return is not expected until next week.

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## Raise Standards to Avoid Threat of "Volumitis"

### N.A.L.U. President Points Out Post-War Responsibilities of Executives

NEW YORK—The need for raising standards of selection and supervision to preclude possibilities of another epidemic of "volumitis," such as that which followed the former war, was urged by William H. Andrews, Jr., president of the National Association of Life Underwriters, before the Life Insurance Association of America here. Steps should be taken to prevent the induction of thousands of new agents unfitted to render that type of service to policyholders of which the business is so proud, and by so doing impede the progress now being made in the improvement of agency practices and business standards, Mr. Andrews emphasized, urging executives to give the situation serious consideration.

The selection, training and supervision of successful and competent salesmen begins with the desire and ability of leaders in the agency departments to select and train field managers qualified to transmit that training and experience to the men in the field. The need for closer supervision of field forces was recognized by Mr. Andrews, although this does not mean domination or regimentation, but "super-vision"—a better understanding of agents' problems and ability to help solve them.

#### Mainstay of System

There is a growing recognition that the career underwriter is the mainstay of the agency system and that the majority of successful agents are those who have had long and continuous service with one company whose agency officials are well qualified and whose field managers are competent. While continuous service with one company is, of course, not the only requisite for success, records show that it is one of the important factors in the vast majority of cases. In view of this, efforts should be made to increase the already high degree of loyalty to company to agent and agent to company. "Loyalty is earned, not bought or bestowed," Mr. Andrews pointed out.

#### Emphasis on Agents' Service

The public relations work of the Institute of Life Insurance was commended by Mr. Andrews and he expressed appreciation that the program has been broadened to give emphasis to the service of the agents in the field. He suggested that there is further opportunity to aid field men in interpreting to the public how the business operates and the important functions which the field representatives perform. "While it is true that field men play a major role in creating favorable public attitude towards our business, in the last analysis the responsibility for what the agency forces do rests with you company executives."

While the agency group performs a vitally important function in its contacts with the public, everyone connected with a life company, no matter what his title or duties, helps to create whatever opinion the public has of a company and of life insurance.

Field men recognize that different segments in the business must be bound together in one strong bond of cooperative endeavor and they are sincere in

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## Life Companies Buy Heavily in 6th War Bond Drive

War bond purchases by the life companies in the sixth war loan drive are heavy. A partial list of the companies and their purchases is presented below.

Prudential's subscription of \$225 million of the long 2½s brings the company's subscriptions to government bonds since Pearl Harbor to more than \$2,029,000,000. President Franklin D'Olier has just returned from the European theater, where he has been for several weeks as chairman of the U. S. strategic bombing survey mission.

New York Life has subscribed \$200 million to the sixth war loan. This brings its holdings of U. S. obligations to \$1,971,000,000.

#### \$115 Million for Mutual Life

Mutual Life has subscribed to \$115 million. The company's total purchases for the six drives aggregate \$761,700,000.

Mutual Benefit Life has purchased war bonds totaling \$35 million in the sixth war loan drive. This brings the total U. S. government bonds of this company to \$350 million, or 39% of total assets. Ninety-eight percent of the Newark employees of the company regularly purchase war bonds under the payroll deduction plan, and to date their individual purchases total \$450,000. Several members of the staff have received citations from the Treasury department for outstanding service in helping install payroll deduction plans in industrial organizations in Newark.

#### Federal Life Takes \$3,200,000

Federal Life announced on Dec. 1 the purchase of \$3,200,000 of government bonds as its contribution to the sixth war loan drive. This substantial addition to the company's present holding of

## 3 Insurers Ask N. Y. OK to Exceed Sales Ceiling

NEW YORK — Equitable Society, New York Life, and New England Mutual Life have asked the New York department for permission to exceed the statutory limit on new business written this year. It is anticipated that permission will be granted, subject to the usual stipulations designed to keep the companies from aggressively expanding their business for the rest of the year, while at the same time not working a hardship on the field force.

According to the law, if it appears that companies writing 50% or more of the business are going to exceed the statutory limit, the department is to issue a general order to hold down the writing of business so as not to exceed the limit given by the statutory formula. This formula limit is fairly complex but is essentially the business of the three previous years plus a percentage increase. There was no need to issue a general order this year.

government bonds brings its total holdings to 63.2% of bonds of all types held. The investment in government bonds amounts to approximately 14% of total assets.

Business Men's Assurance, represented by R. J. Costigan, Missouri manager, purchased \$3 million in war bonds as its "bid" at a National Broadcasting Company war bond show in Kansas City, for a wood carving, "The Sun Worshiper," by Wallace Rosenbauer. The company will present the work as a gift to the Nelson Gallery of Art.

Purchase of \$1 million in war bonds by Franklin Life will bring its investment in that class of securities since

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## Report Sen. Bailey Leans to N.A.I.C. Legislative Program

### Life People Want Protection in Paying State Taxes, Commissioners Told

NEW YORK—Senator Bailey seems favorably disposed toward substituting the proposed bill of the National Association of Insurance Commissioners for the Bailey-Walter bill now pending in the Senate, members of the N.A.I.C. were told at the Sunday session of the executive committee from which all but commissioners and their staffs were excluded. Virtually the entire session was devoted to bringing the members up to date on what has been done to meet the problems growing out of the U. S. Supreme Court decision in the Southeastern Underwriters Association case.

N.A.I.C. President Johnson, Minnesota, and Harrington of Massachusetts, chairman of the federal legislation committee and immediate past president of the association, were recently in Washington where they conferred with Congressional leaders. They talked for an hour and a half with Senator Bailey, whose measure the stock fire and casualty companies and their agents have been working for because they are convinced of the necessity for an all-out exemption from the anti-trust laws, which the commissioners' bill does not provide.

#### Amending Bailey-Walter Bill

Since the Bailey-Walter bill has already been passed by the House and has been reported out by the Senate judiciary committee, the chances of getting the N.A.I.C. proposal enacted at this session appear to hinge on embodying it in the Bailey-Walter bill rather than introducing it as a separate piece of legislation. This would be done by deleting from the present Bailey-Walter bill everything below the enacting clause and substituting the text of the N.A.I.C. proposal.

Messrs. Johnson and Harrington seemed confident that if this were done the amended bill could be quickly passed in the Senate and re-passed, because of the changes, in the House equally promptly.

It was brought out at the executive committee session that the life companies have proposed that each state pass a law protecting officers, directors and trustees of corporations from being held liable to their stockholders or policyholders for having made tax payments required by state laws. The possibility that they or their directors or trustees might be sued for an accounting for having paid state premium taxes when these might be held invalid as a burden on interstate commerce has been a principal concern of life company executives in connection with the S.E.U.A. decision.

It was indicated at the session that there would be further consideration of this idea. A number of commissioners felt there would be no difficulty getting such a law passed, particularly in view of the possibility that some companies might feel it necessary to refuse to pay premium taxes until the question had been settled in the courts.

Some observers now are convinced that the stock fire casualty interests will not put up a last ditch fight for complete anti-trust exemption if it should become clear that it is a lost cause. It is believed they still feel they have a chance

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## The Indians Write to the King

When William Penn left Pennsylvania for England in 1701, a letter was sent to the King of England. It was probably written for them by Logan, but it was signed by six Indian chiefs. Quoting their opinions:—

"Understanding that our loving and good friend and brother William Penn is to our great grief and trouble of all the Indians of these parts, obliged to go back to England to speak with the great King and his Sachems about his government, (we) can do no less than acknowledge that he has been not only always just but very kind to us as well as our ancient Kings and Sachems deceased, and careful to keep a good correspondence with us, not suffering us to receive any wrong from any of the people under his government, giving us, as is well known, his house for our home at all times . . . besides what he has paid for our lands, which no Governor ever did before him, and we hope and desire that the great King of the English will be good and kind to him and his children, and grant that they may always govern these parts, and then we shall have confidence that we and our children and people will be well used."

1644-1944 WILLIAM PENN TERCENTENARY

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### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Says Prospect Owe Agent Nothing for Not Taking Policy

**Albert Hirst Files Amicus Curiae Brief for N. Y. State Association**

NEW YORK—Contending that an agent cannot "contract" with a prospect to procure insurance for him while acting as agent of a life company, the New York State Life Underwriters Association, through its counsel, Albert Hirst, has filed a brief as amicus curiae with the appellate term of the New York supreme court in the case of Silverstein vs. Rothstein. This is the case, decided last April in the Queens municipal court, New York City, in which an agent, J. B. Silverstein was awarded damages against N. E. Rothstein, his prospect in the amount of commissions that Silverstein would have earned had Rothstein not refused to accept the policy despite his previous agreement to buy it if it could be obtained.

In his closely reasoned brief, Mr. Hirst asks for a reversal of the municipal court's holding, basing his position on an argument that was apparently overlooked by the defendant in the original trial. This point is that since Mr. Silverstein was an agent of Security Mutual Life, the company that issued the policy, he was, in procuring life insurance for Mr. Rothstein, doing only what he was under contract with Security Mutual to do and what he had to do as a prerequisite to earning the commission, which in this case was \$396.17. Therefore the contract of employment which the agent alleged to exist because the prospect had said to go ahead and get the insurance issued and he would take it, was invalid, first because the so-called contract of employment was not entered into with the knowledge and consent of Security Mutual and second because there was no legal consideration, in that the plaintiff promised the defendant nothing but what was his legal duty to do anyhow as agent of Security Mutual.

The brief makes the point that once having decided to solicit life insurance from the defendant Rothstein for Security Mutual Life, the agent in his negotiations and dealings with the de-

(CONTINUED ON PAGE 23)

## Million Dollar Producer Uses Written Program Exclusively in Selling

Ray T. Wright, million dollar producer of Provident Mutual Life at Lawrence, Kan., told the 200 attending the November meeting of the Life Underwriters Association of Kansas City how he had written 104 cases for a total of \$1,131,500 last year and how he does a mail order business in 42 states with clients who have been doing business with him for 14 years.

Lyle Cook of New York Life and Matt Ross assistant superintendent of Prudential, have been elected directors to fill the vacancies created by the transfer of Charles Fink, New York Life, to Peoria and Harry Wilkinson, Prudential, to Tulsa.

### Can Do Better Job

Mr. Wright uses the written program exclusively. It is, he believes, a much better instrument of accomplishment than an oral one. It gives him a chance to choose carefully the terminology in which the subject is presented. There is distinctly a difference in the connotation of various words. In preparing the written program in the quiet of his office a much more complete presentation can be made in such fashion as to close all avenues of controversy.

The written program gives the client a complete written record of everything that the agent wants him to know, he said. It provides an instrument through which he can periodically review his insurance accomplishments. It eliminates any possibility of argument as to what the agent did or did not say. It provides the agent with a written record of the case for future sales effort. The agent can in writing sell himself in such fashion that it is thoroughly understandable to the man, his wife, and his 10 year old daughter.

### Leads to Repeat Sales

It definitely lays the ground work for repeat sales, he said. Everything is carefully measured in terms of monthly income. Often a client will gladly buy \$200 a month for life in benefits where the mention of \$40,000 of insurance will scare him to death, he said.

The written programs are divided into seven sections.

The foreword explains the purpose of the written program, illustrates its function in terminology familiar to his type of work, and attempts to sell the agent's services for present and future use.

In the present situation Mr. Wright sets forth every item of information that he can possibly dig up about the prospect as a result of extensive questioning. A complete statement of every factor that might possibly have any bearing on his situation gives him a feeling of confidence that all factors have been

considered in the final presentation. It eliminates their use as excuses later on.

In the section on preliminary discussion the use of life insurance is sold. It contains paragraphs like this: "You can always invest money. The only requisite is that you have the money to invest. However, you cannot always buy life insurance. You have to buy it when you don't need it because when you do need it you can't get it. Generally speaking you need it most when you can afford it least."

### Ultimate Objective

The ultimate objective, he continued, is what the client eventually would like for himself, for his wife, and for his family, in terms of income, as well as clean-up and educational funds. This again is measured in terms of income.

At no point, he said, is principal sum mentioned except in the clean-up fund. Mr. Wright keeps in mind that he is mapping a track on which the client is to run his financial train in the years to come.

Mr. Wright then sets down present insurance and financial progress solely in terms of the ultimate objective. The inadequacy is self evident. For the first time, however, in many cases, he starts viewing his insurance as income instead of principal.

The next outlines his recommendations for present action and shows how it fits into the finished picture.

In conclusion he summarizes the reasons for the action recommended, for the ultimate objective, for procedure in the future, and then cites several terse paragraphs hammering home the logic of the plan. He uses such short paragraphs as: "Most men when they die do not leave home. They take the home with them. Would the same be true in your case without such a plan as this?" Most clients have pointed to arguments in the conclusion as their reason for buying, he said.

### New Industrial Insurers Members

Central Life of Chicago, Atlantic Coast Life of Charleston and Union National Life of Baton Rouge, La., have been admitted to membership in the Industrial Insurers Conference.

Fred Bruchholz of the agency training department of New York Life, whose health has been unsatisfactory, will now, it appears, have to be off the job for an indefinite period. During the last year he has made five trips to the hospital. He resides at the Harvard Club, New York.

## Only Motive to Banish Private Coercion: Biddle

**Justice Department Head Answers Campaign Tract**

Attorney General Biddle has entered a disclaimer that the Justice Department's anti-trust prosecution of insurance companies is part of a program for federal regulation of insurance or to oust the states of their present jurisdiction. The denial of such an aim was made in a letter by Mr. Biddle to John S. Tunmore, New York City general agent of Provident Mutual Life.

Mr. Tunmore had sent to Mr. Biddle for comment a campaign tract "What the 1944 Campaign Means to Insurance" put out by the Democratic-Republican Insurance Club for Dewey, which had its headquarters in New York.

The tract alleged that the South-eastern Underwriters Association case is part of an effort "to bring insurance within the realm of bureaucratic control."

Asked about Mr. Biddle's letter, Mr. Tunmore said he was very glad to get it and that it put everything in the clear. The campaign pamphlets describing the Justice Department's alleged aims regarding insurance were distributed in his agency without his knowledge and they had a disturbing effect on the agency force. Wishing to get the matter cleared up, he wrote the Attorney General, enclosing the pamphlet and asking him frankly about its allegations. Though a Republican, Mr. Tunmore felt when he first saw the pamphlet that this type of campaign literature would do more harm than good to the life insurance business because of its disturbing effect on agents and the insuring public.

Mr. Biddle wrote to Mr. Tunmore saying that he recognized that the tract was a campaign document but that "it contains such distortions of fact and misleading statements that it should not go unanswered."

The S.E.U.A. prosecution, Mr. Biddle said, "is rather an attempt to enforce the anti-trust laws in such a way as to eliminate practices in the insurance industry which have been repeatedly held to be

(CONTINUED ON PAGE 21)



At the annual meeting of the Institute of Life Insurance:

William H. Andrews, Jr., president National Association of Life Underwriters; Bertrand J. Perry, president Massachusetts Mutual Life; John Marshall Holcombe,



Jr., manager Sales Research Bureau; and M. Albert Linton, president Provident Mutual Life; Gerard S. Nollen, president Bankers Life of Iowa and chairman of the meeting; Holgar J. Johnson, Institute president; and Leroy A. Lincoln, president Metropolitan Life.



There are  
styles in  
**LIFE  
INSURANCE**  
just as there  
are in  
**CLOTHES**

State Mutual Security Patterns  
can be fitted smartly... exactly  
to needs.

WHEN IT COMES TO DRESSING SMARTLY,  
AMERICAN WOMEN LEAD THE WORLD

MEMORANDUM  
"Security Patterns"

HOW SECURITY PATTERNS FIT YOU

## "SECURITY PATTERNS" styled by STATE MUTUAL NEW, NOVEL, COPYRIGHTED SALES PLAN VALUABLE HELP IN SELLING WOMEN

"Styles in life insurance can be flattering, too." That's what we tell the ladies in our new sales material aimed to reach the big, growing and permanent women's market.

There are styles in life insurance just as there are in clothes . . . and we go on to prove it, by presenting State Mutual Security Patterns . . . a complete life insurance wardrobe with each garment individually tailored to meet a particular financial need. Life Insurance Style Book (visual interview piece) illustrates in poster form and explains in non-technical terms and by interesting examples how the various styles of life insurance fit both need and pocketbook.

**STATE MUTUAL LIFE ASSURANCE COMPANY**  
OF WORCESTER, MASSACHUSETTS  
INCORPORATED 1844

## Commissioners Hold Focus on Federal Legislation Issue

(CONTINUED FROM PAGE 1)

the open meeting in the morning R. L. Hogg, manager and general counsel American Life Convention, asked permission to state that its executive committee had unanimously endorsed the commissioners' program. He was followed by L. A. Lincoln, president Metropolitan Life, speaking for the Life Insurance Association of America, he announcing that at its annual meeting last week it agreed to support the commissioners' recommendations. He said that the life companies had objected to most of the proposals because they would give full immunity from federal laws to the insurance companies. The commissioners proposed that the companies still be subjected to laws prohibiting boycott, intimidation and coercion. He said that the life people are willing to abide by the commissioners' recommendations for specific exemptions needed by the fire and casualty companies in their rating and cooperative activities.

H. R. Gordon, managing director Health & Accident Underwriters Conference, went to the rostrum to announce that its executive committee had voted to endorse the commissioners'

plan. A. V. Gruhn, manager American Mutual Alliance, stated that that body desired to go on record as favoring the commissioners' recommendations. He said that he had definite approval of the Association of Mutual Casualty Companies and the mutual automobile companies but that the Federation of Mutual Fire Companies had not yet taken action but he was free to say that undoubtedly a similar step would be taken.

"If we are going to put our trust in regulation of the insurance business by the several states, we must likewise trust the judgment of the commissioners of the several states to lay down the solution for the problem," Mr. Gruhn said. He professed complete confidence in the commissioners "to preserve the business of insurance in this crisis."

The National Fraternal Congress had previously announced that it would back the commissioners in their attempt to preserve states rights. The following resolution was unanimously adopted by the entire body.

"Resolved that in view of the necessity for immediate action by Congress,

N. R. Johnson, president National Association of Insurance Commissioners, be and he is hereby authorized and empowered to take such steps as in his judgment may be necessary to translate into legislative effect the 'Legislative proposals submitted to Congress by the executive committee of the National Association of Insurance Commissioners (November, 1944), or any changes therein not inconsistent with the basic principles thereof.'

Much discussion was made as to how far President Johnson would be authorized to go beyond the proposals adopted by the commissioners.

The first general session got under way with an invocation by Rev. S. M. Shoemaker, Jr., of Calvary Episcopal church, New York City. Mrs. J. Herbert Graves, wife of the Arkansas commissioner, sang the "Star Spangled Banner." The roll-call by Read of Oklahoma, N.A.I.C. secretary, showed 41 states, the District of Columbia and three Canadian provinces represented.

Superintendent Dineen, whom President Johnson called "able, efficient, diligent, and cooperative," welcomed the convention to New York and offered the help of the New York department in any way that it could be of assistance. McCormack of Tennessee, N.A.I.C. vice-president, in his response referred to the very recent death of Superintendent Julian of Alabama, saying, "We have in our hearts a sorrow we cannot overcome." Referring to the federal legislation problem, he said that he hoped that the conclusions that would be reached would be those of every state and the District of Columbia and every branch of the insurance business without exception "so that we can render the service to policyholders that they deserve."

President Johnson then brought the association up to date on what the executive committee had done since the meeting in Chicago Nov. 10-11. They reduced the proposal to pamphlet form and mailed it to every member of the N.A.I.C. and of Congress. Letters and phone calls from members of Congress indicated the interest with which it was read, he said.

### Printed in Congressional Record

Members of Congress had previously been advised that they would be the first to be informed of any proposal, consequently Nov. 16 was set as the date for general release of the proposal. Mr. Johnson and Commissioner Harrington spent Nov. 15-17 in Washington seeing more than 20 members of Congress, including Senator Alben Barkley's steering committee. Senator Hatch had the declaration of principles, the press release, the text of the desired legislation, and the explanatory memorandum printed in the "Congressional Record" of Nov. 16.

"Contrary to rumors," he added, "we avoided discussing other proposals." Mr. Johnson said that he and Mr. Harrington had been charged with being very secretive about their visit to Washington but this was only because they felt they should tell their colleagues about it first.

"If this procedure was wrong, we stand guilty as charged," he said. He promised a fuller statement in executive session.

Discussing committee assignments, he said there had been some complaints that some commissioners had been overworked and that some had had nothing to do. He said it had, therefore, been decided that no commissioner should be given more than three committee assignments and that each zone should be represented on each committee. It was felt that this would not only make for equity in distributing the work but for wider representation. Two committees have been added: Automobile assigned risks, this being separate

from the casualty committee as several members of the latter are not concerned with assigned risks; and a subcommittee on blanks to act as a coordinating link between the committee and the commissioners.

### Asks Uniformity in Group Lines

Mr. Johnson suggested the need for uniformity of legislation affecting the various types of group insurance and hospitalization and suggested it be formulated by a subcommittee of the life committee. Also, he said, there should be more consistency among the states as to what lines various types of companies are permitted to write. He cited several extreme examples of states permitting companies to write classes that most other states would not allow them to write.

Mr. Johnson appointed as a resolutions committee to draw up resolutions on the death of Mr. Julian and on other matters the following: Bowles, Virginia, chairman; Gough of New Jersey, Hobbs of Kansas, Sullivan of Washington, and Read of Oklahoma.

Captain E. V. Rickenbacker, president and general manager of Eastern Air Lines, made a stirring and thought-provoking address at the luncheon sponsored by the New York insurance fraternity. He warned against needless duplication of air transport facilities and said that this country should get its fair share of the international air transport business. Much of his talk was a graphic eye-witness account of what the armed forces are doing overseas.

Captain Rickenbacker referred in the course of his talk to two insurance executives who were present at the luncheon. He recalled that he had bought \$100,000 coverage on the Fokker F-32, a four-motored prototype plane, from Reed C. Chambers, now president of United States Aviation Underwriters, who in the last war was second in command of Captain Rickenbacker's 94th pursuit squadron. The Fokker crashed and burned. Captain Rickenbacker also mentioned having met in India Vice-president F. W. Ecker of Metropolitan Life, who was assisting E. R. Stettinius in the administration of lend-lease.

Attendance at the luncheon was 802, a new record. Mr. Dineen, who was toastmaster, acknowledged the services of Albert N. Butler, vice-president of Corroon & Reynolds, who was in charge of the luncheon, and Orville Davies, vice-president of General Exchange, in getting Captain Rickenbacker as the speaker.

The federal legislation committee held a very brief session, as the matter had gone far beyond the stage for committee conference. However, it heard an appeal from W. W. Clement, executive director of Risk Research Institute, insurance buyers' organization, who urged that legislation be sought from Congress asking for a moratorium on federal laws applying to insurance for a period of not more than two years and that an impartial commission be designated to study the entire matter and evolve a better law than could possibly be enacted on short notice. The committee listened courteously but it was obvious that the suggestion was not going to affect the course that had been decided on.

Establishment of procedure for handling oil production loans made by life companies was discussed at a meeting of the valuation committee with Dineen, New York, chairman, presiding. Mr. Dineen said such loans were a virgin field for the companies, but several of the larger companies had already entered the field. The New York department sent representatives to Texas and Oklahoma to explore the situation there. A comprehensive report on the subject was made by L. A. Griffin, secretary of the committee, and read by Mr. Dineen.

The loans are secured by first mortgages on oil in the ground and other assets and are liquidated as the oil is brought to the surface, Mr. Griffin said in his report. They are sound because



with this . . .

## MAGNIFICENT EXAMPLE

It stands majestically, commanding full view of the entire city of Saint Paul. Its exterior beauty is rivaled only by the exquisite works of art by famous artists and sculptors contained within its walls.

This stately \$5,000,000 Capitol Building was designed by the late Cass Gilbert. Its completion gave Saint Paul one of the outstanding buildings of its type in the nation . . . unsurpassed in pure beauty of architectural design.

In the same Capital city the Minnesota Mutual has just passed \$300,000,000 of Insurance in Force.

**The**  
**MINNESOTA MUTUAL**  
**LIFE INSURANCE COMPANY**  
**SAINT PAUL 1, MINNESOTA**



proration has brought order out of chaos in production and oil itself as a commodity has an important part in modern life. The price is subject to OPA regulation.

Mr. Dineen said machinery had been pretty well set up and there was agreement on basic facts on the subject.

#### A. & H. Meeting

The accident and health committee meeting had a heavy agenda and drew a large attendance. Garrison, California, presided, with discussion on various subjects being led by Fraizer, Nebraska; Parkinson, Illinois; Knowlton, New Hampshire; Erickson, North Dakota, and Guertin, New Jersey.

Most of the discussion centered on the question of how far the commissioners should go in requiring the accident and health companies to break down their loss experience by classes. Comment from company representatives indicated that greatly detailed experience would put a heavy burden on manpower and tabulating equipment. The commissioners desired detailed experience because it was felt some companies were making too much of a profit on some lines, many writing restricted policies having a "ridiculously low loss ratio" according to one commissioner.

#### Gets 20 Cents a Day

Another commissioner said the insured with some \$1 month policies found he was entitled to 20 cents a day when he got in the hospital. Harold Gordon, Health & Accident Underwriters Conference, said it would probably be possible for the conference to get an analysis of the major lines. A speaker suggested that the committee study the figures which are being prepared by Professor Blanchard of Columbia University.

A life insurance speaker said it would be a burden for the life companies to break down their group experience.

Parkinson, Illinois, said the Health & Accident Underwriters Conference had adopted a uniform, abbreviated claim blank which is a great improvement and shows much progress. His subcommittee recommended its endorsement and approval to the full committee he asserted.

Reporting on the official guide for the filing and approval of accident and health contracts, Mr. Parkinson said the committee would meet in March or April and prepare a report at that time.

#### MISLEADING NAMES

After discussion and a report by Fraizer, Nebraska, investigating the use of misleading names for companies and policy forms which tended to give them the seal of approval from state or federal authorities, Mr. Garrison said the committee would recommend the discouragement of the use of such names. Mr. Fraizer cited sections from several state laws prohibiting misleading practices along these lines and the 1926 federal statute prohibiting the use of the words "federal," "United States" and "reserve" as part of a business name for concerns organized after that date.

He said existence of authority to terminate objectionable particulars in these respects would not involve or impair the right of an insurer to establish and maintain a special department in its home office for the sale and servicing of certain policies, nor was there seemingly prohibition against departmentalization by groups or policies bearing such names as business man's, farmer's, government employees, teachers, etc. division or department. The company name should be prominently displayed on policy and literature wherever reference to such division or department is made.

No need was found for a definition of wholesale accident and health and no action was taken on the question of preparing a definition.

A model bill for uniform group accident and health laws has been prepared by the Health & Accident Underwriters

Conference and no action was taken on the subject by the committee.

The life committee meeting was devoted entirely to the question of revising the definition of group insurance promulgated at the 1917 meeting of the commissioners. Lockhart of Texas, chairman, said that President Johnson felt that until a couple of years ago the Group Association had functioned and that while few states had group insurance definitions the association's stabilizing influence had made definitions unnecessary. Hence, it might be advisable to bring the commissioners group life definition up to date and perhaps

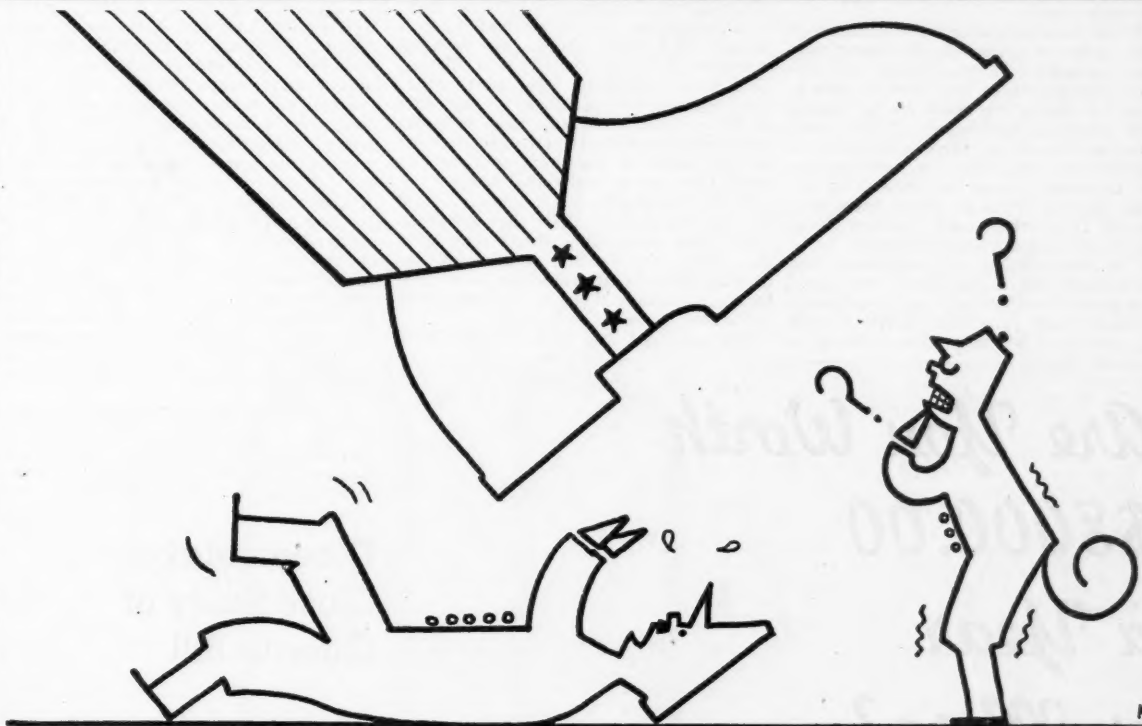
broaden it to embrace group-permanent and pension trusts. Mr. Lockhart asked those present for their views.

Albert Pike, Life Insurance Association of America, said that a committee of L.I.A. had been studying the subject at length, had examined all the state laws, and while it reached no definite conclusions as to how the definition should read it felt definitely that the 1917 edition might be expanded to cover two more types: labor unions and bank borrowers.

Mr. Pike filed a memorandum with the committee. As to labor unions the memorandum said that "the experience

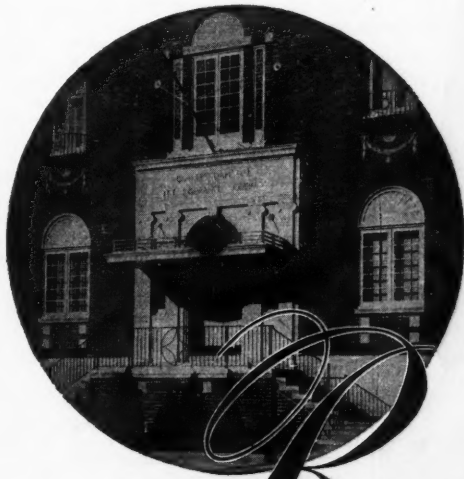
of many insurance companies with this form of coverage has not been entirely satisfactory, particularly in cases where the coverage has been optional to the members of the union and the cost borne entirely by those members who elect the insurance. However, further experimentation under proper safeguards might well be encouraged, and it is accordingly recommended that the commissioners' standard definition include a provision for such groups."

The experience with group insurance on borrowers has been such as to demonstrate its success, according to the



## GETTING BIGGER

Like the military strength of the United Nations, the average Ordinary policy sold by our Field Men is getting bigger every year. Last year it reached an all time high of \$4,095—18% larger than the Company's average "in force" Ordinary policy of \$3,458. Both show it pays to represent the—



# Bankers

## NATIONAL LIFE

Insurance Company.. Montclair, N.J.

Ralph R. Lounsbury, President  
W. J. Sieger, V. P. & Sup't. of Agencies

memorandum. Recently the idea has been extended to the mortgage loan field. Other changes which should be considered in the light of knowledge gained in the actual administration of group insurance coverage since the adoption of the 1917 definition, according to the memorandum, are (1) specific reference concerning employees of subsidiary or affiliated companies in the definition of employer-employee type groups; (2) clarification of certain phraseology in the definition and standard provisions; and (3) recognition of the recent development in the group life field of plans other than those on the term basis.

While various states have authorized other types of group life insurance covering members of associations of employees, employees of members of associations of employers, the National Guard, state troopers, and others, L.I.A. feels that the success of these extensions is questionable and that the commissioners' definition should be limited to the more general types of group insurance, leaving it to the states whether local conditions warrant special action.

The memorandum also suggested that in addition to a definition the commissioners lay down a general statement of underlying principles which should be considered by any state wishing to

permit experimentation with additional forms of group insurance. The principal characteristics of a plan which will successfully avoid the fate of assessment insurance seem to be (1) the group must be a single cohesive whole, membership in which is based on some strong motive other than writing insurance; (2) there must be a steady stream of new entrants to the group to offset the increasing age of those remaining and thus keep cost within reasonable limits; (3) there must be a single administrative organization to act on behalf of the insured group; (4) at least 75% enrollment must be assured to avoid adverse selection; (5) there must be a reasonably simple method for collecting premiums from the insured members of the group; (6) if at all possible, there should be some party other than the insured member to pay part of the premium, thereby keeping costs down and the plan attractive, so the cost to the younger members will be no more than on an individual basis.

B. E. Shepherd, L.I.A. actuary, said of the suggestion that the definition might take in pension trusts that since the latter are usually written on individual policies, it would be better not to try to include them in the group life definition.

Mr. Lockhart said he would appoint a

subcommittee to deal with the matter and that because the life committee's members live in widely separated areas he would appoint some men to the subcommittee who were not members of the full committee in order to make more frequent meetings of the subcommittee practicable.

Harrington of Massachusetts expressed the hope that the subcommittee would take the place of the Group Association in curbing unrestrained competition and that it would be a means of bringing the group-writing companies together without their fearing that they were facing the penitentiary.

Vice-president C. G. Taylor, Jr., of Metropolitan Life, and Associate Actuary Wendell Millman of Equitable Society, said their companies' experience with labor union groups written some years ago had not been satisfactory and hence they have been steering clear of it.

Rep. Hatton Summers of Texas, chairman of the House judiciary committee and one of the most influential leaders in Congress, was in New York Wednesday and had lunch with the N.A.I.C. executive committee. He had requested an opportunity to present his views and the committee was, of course, delighted to give him the opportunity. He is one of the outstanding advocates of letting the states handle all matters they are capable of handling and reversing the trend toward centralization of authority in Washington.

Wednesday morning Manager Foster F. Farrell presented to the executive committee a formal declaration of the National Fraternal Congress endorsement of the N.A.I.C. proposal.

## Dineen Makes Close Study of Guertin Bill

NEW YORK—Looking toward the 1945 legislative session, the New York department is making a study to determine how policyholders who want to surrender or borrow on their policies would probably fare under the proposed Guertin plan of policy valuation, and non-forfeiture benefits as compared with the present New York law. This is being done by studying the experience of a representative cross-section of companies and then computing what the results would have been had the Guertin plan been in effect.

A Guertin bill passed the New York legislature in 1943 but Governor Dewey, then newly elected, vetoed it, presumably on the ground that he wanted to give it more study rather than because he disapproved of it on its merits. Nothing was done at the 1944 session, but it is known that Superintendent Dineen has been giving the proposal intensive study, both personally and through members of his staff, despite the much more urgent pressure of problems arising out of the U. S. Supreme Court decision in the Southeastern Underwriters Association case. It is understood that the principal and perhaps only misgiving of the New York superintendent has to do with the one-half percent differential permitted between the policy valuation basis and the basis for computing nonforfeiture values.

### Dineen's Probable Attitude

Mr. Dineen has made no public pronouncements about his feelings toward the Guertin proposal but if his attitude toward the Bailey-Walter legislation in Congress sponsored by the fire and casualty companies is any guide, he will not come out in favor of a Guertin law until he himself understands it, approves of it, and feels competent to defend his decision against any opposition that might question it.

The Guertin plan is necessarily complex and it is necessary to be an actuary to understand all its ins and outs. However, Mr. Dineen has not contented himself with taking a "show-me" attitude

## Mildred Hammond Is Named A.L.C. Secretary



MILDRED HAMMOND

Laurence F. Lee, president of the American Life Convention announced that at the meeting of the executive committee Miss Mildred Hammond was advanced from assistant secretary to secretary.

Miss Hammond was born in Indiana and received her education in the public and high schools in St. Louis, where she subsequently became associated with the Transcontinental Air Transport. In 1929 she resigned to become private secretary to Byron K. Elliott, then manager and general counsel of the A.L.C. In 1934 she was elected assistant secretary.

The A.L.C. executive committee has set next June 21-23 at Hot Springs, Va., for the next meeting of the Medical Section, contingent upon satisfactory transportation facilities prevailing at that time.

but has undertaken to master its intricacies and has done so to an extent that has caused the measure's backers to feel greatly encouraged about getting the departmental blessing.

The complexity in the Guertin plan largely arises from the scientific basis for determining minimum nonforfeiture values which it would substitute for the present system, which has little relationship to what the companies could logically be expected to pay withdrawing policyholders. One practical difficulty that flows from using a rational but necessarily complex basis is that the policy is required to contain a description of the method used to arrive at nonforfeiture values.

### Matter Highly Technical

This is a highly technical matter and while it is easy enough to write it into the law the companies might be subject to criticism for making their policies complicated and difficult to understand if they included it in the policy. Committees of the Life Insurance Association of America and American Life Convention are trying to work out some basis of meeting this problem.

One way would be to put all the values, year by year, right into the policy. This would mean a great deal of printing, however, particularly on whole life policies issued at the younger ages. One solution might be to change the law so that the policy would merely have to contain a statement that the values were not less than those required by law.

In about half the states no changes in the laws were needed to permit companies to use the Guertin basis of valuation and nonforfeiture benefits. Of the remaining jurisdictions, 16 have enacted the needed legislation. The outlook is said to be favorable for passage of Guertin laws in all the remaining states where legislation is needed.

*Are You Worth  
\$8000.00  
a Year  
or More?*

## OUR "BUILDERS-OF-MEN" PLAN:

The average income of our top 10 men last year was \$16,775.00. Do you want to earn this kind of money?

Guarantee Mutual Life offers an opportunity to those who can qualify:

Independence of action  
Maximum opportunity of earning  
A definite plan of operation  
Complete equipment  
Guarantee of advancement and finally,  
A unique plan of retirement income.

If you have reason to be interested, then write



## Guarantee Mutual Life Company

Founded 1901

A. B. OLSON • AGENCY VICE-PRESIDENT

OMAHA 2

NEBRASKA



## Gardiner Feted at 50-Year Mark

NEW YORK—Harry Gardiner, general agent of John Hancock Mutual Life in New York City since 1921, was host to some 300 friends in the insurance business at a dinner party marking his 50th anniversary with the company. Mr. Gardiner is one of the youngest men in



HARRY GARDINER

the business to have passed the 50-year service mark, for he was only 11 years and eight months old when he started working for John Hancock Dec. 1, 1894, as office boy in a New Jersey district office.

Telling briefly how he began his career, Mr. Gardiner recalled the panic of '93, during which he stood in the breadline for a loaf of bread and a pail of soup, his father, a silk worker, being unemployed because of the conditions that prevailed.

"An industrial agent told my father that there was a job open at the district office for a little fellow—and I was the little fellow," he said.

### Friends Pay Tribute

Expressing the deepest gratification at being able to gather so many of his friends to help him celebrate this anniversary, Mr. Gardiner acknowledged the many tributes paid him by the speakers. These included H. S. Stout, general agent at Dayton, who brought greetings of the John Hancock General Agents' Association, of which he is president; Julian S. Myrick, vice-president of Mutual Life, who presented Mr. Gardiner on behalf of the New York City general agents and managers a silver tray inscribed with the signatures of all the members; John D. Howell, leading ordinary producer of the agency, who presented an engrossed scroll on behalf of the entire agency personnel; and Vice-president Paul F. Clark, who said that Mr. Gardiner had contributed to the company as much as any man now alive.

Mr. Clark said that the Gardiner agency by the end of this year would have production credits totaling more than \$90 million, greater by far than that of any agency in any year in the company's history and that the agency's total 1944 premium volume, new and renewal, was about \$15 million, or more than twice the entire assets of the company when Mr. Gardiner joined it 50 years ago.

"There is no man in the home office or field that is held in so unanimous regard," said Mr. Clark, "nor anyone who we feel has made a greater contribution to the progress of the company or—much more important—to its reputation."

E. J. Allen, assistant general agent, did a smooth and efficient job as toastmaster.

## Kesmodel Named Editor of L. A. A. Publication

Harvey Kesmodel, Jr., publicity manager of Sun Life of Baltimore, has been named editor of the "Life Advertiser," official house organ of the Life Advertisers Association. At the recent annual meeting of L.A.A., Mr. Kesmodel's material won the sweepstake award in his group with three winning exhibits. The material submitted by Sun Life, with which Mr. Kesmodel has been associated 15 years, has won 10 awards from 1936 to 1943. He has

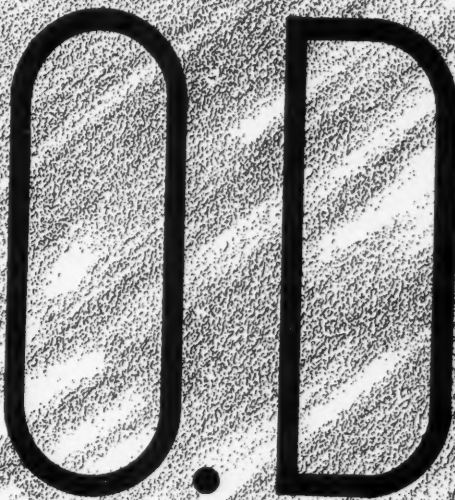
served on the exhibits committee two years, membership committee one year, and on the eastern round table committee. He succeeds Francis J. O'Brien of Franklin Life, who has gone into advertising agency work, as editor of the "Life Advertiser."

## Chicago Supervisors Party

The Life Agency Supervisors of Chicago held its annual Christmas party and managers night jollification. A cocktail hour preceded dinner, and entertainment followed. This meeting afforded George L. Schomburg, Pruden-

tial, the opportunity to preside for the first time since R. W. Frank became State Mutual general agent, and constituted Mr. Schomburg's installation. There was a brief business session.

Dr. Arthur L. Sherrill, assistant medical director of Equitable Society stationed in Chicago, died at the age of 74 in St. Luke's hospital. He was in charge of medical examinations in the Chicago area and had been associated with Equitable over 40 years. Dr. Sherrill was born in Clinton, N. Y., near Utica, and received his M.D. at Cornell medical school.



*Just two letters to you unless -*

you are an Ohio State Life Man

*To Oslico Field Representatives It Means:*

A Combination Life, Accident and Health Plan geared to public demand, and backed by a tested plan of selling

**THE OHIO STATE LIFE**  
*Insurance Company*  
COLUMBUS 15, OHIO

FRANK L. BARNES, VICE PRESIDENT  
In charge of Agencies

## Business Liquidation Forum Conducted in Chicago

(CONTINUED FROM PAGE 1)

life policy is employed, an entire life-time is afforded for that purpose.

There are many forms of business purchase agreements, Mr. Hussander said, but all follow a fairly well defined pattern. He feels that the purchase agreement should be as simple as possible. To this end it should contain first an agreement between the individuals providing that they shall deposit their stock with a trustee, retaining the right to vote it during their life-time, etc., and providing that the survivors in case of death of one or more shall receive the proceeds of the fund, whether it is provided by life insurance or other means, with which to buy the stock of the individual or individuals who have died. It should be specified that the agreement could not be revoked except by agreement of the parties at interest. Another provision should be in case of funding the purchase by a life policy that if the premium should not be paid on the insurance the agreement would terminate.

Another important factor is that each year the parties to the agreement shall advise the trustee of a price on their stock which is agreeable to all of them, and each year the price should be revised to make it current. This permits reflecting the true value of the stock in the minds of the owners and makes it sure there will be no question about there being enough money in the decedent's estate to pay estate and inheritance taxes on the sum which is paid for the stock.

Mr. Hussander said the agreement should provide that if the corporation goes into bankruptcy or is terminated, the trust arrangement for purchase of the stock also should terminate. There should be a provision for the survivors to pay a cash surrender value of the policy in case of such termination of trust and thus they will be able to conserve their interest in the contract.

"In my experience the insurance man often comes to business men with a program all set, but thinks that the lawyer

or trust man is working against his interest, where really they are probably just trying to work out a satisfactory and airtight agreement," he said.

Mr. Hussander is a member of the American Bankers Association committee for employee trusts and is an authority on trusts and has cooperated very closely with Chicago life insurance men.

### Echoes of Rogers Caldwell

WASHINGTON — The Supreme Court has been asked to grant writs of certiorari for review of A. M. Anderson, receiver National Bank of Kentucky, Louisville, vs. General American Life, and Ohio National Life and others vs. board of education of Grant Community high school district 124, Lake county, Ill., and others.

The first involves sale of certificates of deposit for \$500,000 secured from the bank by Rogers Caldwell, allegedly through fraud, to Missouri State Life, which General American purchased. Anderson says if the decision of the sixth circuit court stands General American will "receive the fruits of that fraud" and the bank depositors will bear the loss.

The Ohio National case is appealed from the Illinois supreme court. The company says it owns \$33,000 of funding bonds of Grant community school district, but that interest thereon was defaulted in 1940. Various phases of this legal controversy have been pending in courts in Illinois for several years. The Illinois supreme court held a portion of the bonds void by refusing to recognize the validity of prior judgment of a federal court which had sustained the bonds' validity, according to the petition.

### Summers Agency Moves

The Merle G. Summers agency of New England Mutual Life, which for 23 years occupied "Protection Corner," Milk and Pearl streets, Boston, where its window displays were outstanding features of Postoffice Square, has moved to offices at 50-60 Federal street, extending through to Congress street, due to demolition of the old quarters. The characteristic window displays will be continued on Congress street.

## Ia. Executive Dies



JAMES E. HEGG

James E. Hegg, 69, president and chairman of Lutheran Mutual Life of Waverly, Ia., died at his home Dec. 3 after a short illness. He had served as head of the life company since 1934.

Born at Greenwood, Wis., he graduated from Lutheran Seminary in St. Paul, 1903, and for number of years was pastor at Beloit, Wis., entering Lutheran Mutual Life in 1928. Funeral services were held at Waverly Dec. 6 with private interment services at Lakewood cemetery in Minneapolis.

### Income Tax Refund

The internal revenue bureau has determined an over assessment of income tax and interest in favor of Commonwealth Edison Mutual Benefit Association, Chicago, for 1937, amounting to \$25,659, which has been refunded. Of this amount \$21,227 was caused by the bureau's determination that the organization is tax exempt.

## Tenn. Department Report Exhaustive

The annual report of the Tennessee department, which has just been issued, is a remarkably detailed document. It consists of 296 pages and presents a number of features that are not found in the insurance department reports of other states. In the introduction Commissioner McCormack, who is vice-president of the National Association of Insurance Commissioners devotes much attention to the federal legislation issue and incorporates the recommendations of the commissioners' association. There is included a description of the securities deposited by every self insurer for workmen's compensation. There are reproduced the official bulletins and rulings of the department, there are tables showing the names and location of all insurance companies that have operated in Tennessee in the past and which have failed, liquidated, retired from the state or changed name.

There is a wealth of statistics. In addition to the usual tables there is an analysis of the assets and liabilities of all insurance companies. The experience exhibits are finely subdivided. There are tables showing total Tennessee premiums and losses of the various types of companies for each year from 1900 to 1943 inclusive.

In 1943 the fire and marine premiums were \$16,036,141, claims paid \$6,389,206, loss ratio 39.86; life premiums \$53,554,266, claims paid \$15,463,153; casualty premiums \$21,484,907, claims paid \$7,692,264, loss ratio 35.8 and fraternal premiums \$1,215,309, claims paid \$748,180. The total premiums were \$92,290,623 and claims paid \$30,292,803.

## Agricultural Stockholders Resist Receivership Move

Stockholders of Agricultural Life of Detroit have retained as counsel Seth Burwell of Lansing to resist the action for receivership that has been brought in Ingham county circuit court by the Michigan attorney general in behalf of Commissioner Forbes. Mr. Burwell was formerly head of the life division of the Michigan department.

Agricultural Life has been operated by the Michigan department as conservator for eight years and the stockholders take the position that order for conservatorship barred the bringing of any legal action against the company, even by the attorney general. Mr. Forbes finds that the position of Agricultural Life has improved considerably and he desires a receiver named in the belief that a favorable reinsurance agreement could then be arranged.

John MacArthur, president of Bankers Life & Casualty of Chicago, now owns 44% of Agricultural Life stock. He desires to add to the resources of the company and put it again into active operation.

## California Deadline for Renewal Licenses Dec. 15

SAN FRANCISCO — Warning has been issued by the California insurance department to life and disability agents and to the companies which secure their licenses. Renewal applications and fees must be filed with the department on or before Dec. 15. Although renewal applications have been outstanding for almost a month, few have been received by the department. It is reported that many who file applications either fail to include the fee or to pay the proper amount.

Dr. John B. Steele, vice-president and medical director of the Volunteer State Life, has been appointed a member of the Hamilton county hospital board which directs two of the largest hospitals in Chattanooga.

## Some Significant Figures for Life Underwriters

### A SEVEN-YEAR RECORD

Year	Rejection Ratio*
1937.....	6.3%
1938.....	6.6
1939.....	5.8
1940.....	4.6
1941.....	3.8
1942.....	4.8
1943.....	2.7

\*Direct business only, based upon amounts.  
(We estimate that the ratio by applications would be even less by about 10%.)

- Percent MORTALITY ..... { Not Too High  
Not Too Low
- Percent REJECTIONS ..... Very Low
- Percent SUBSTANDARD PLACEMENTS .. Very High

★ In 1943 the percentage of direct applications approved at "substandard" rates was 9%. This business included a substantial number of brokerage origin; 82% were delivered and paid for!

— Splendid agency opportunities are now available —

AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis



## Assets 41 Billion 148 Billion in Force

(CONTINUED FROM PAGE 1)

any problem is a careful determination of the facts. The whole life insurance business is based on this same process of ascertaining facts as a result of reviewing experience. He said that certainly in the investment field, a major phase of life company activities, "we must find some way to review the past, study the present, and have the resulting facts as a guide to immediate and future action."

As excess interest has diminished in importance, mortality savings have loomed larger, the expectation of life at birth for the average American being increased by about 15 years since 1906, when the Life Presidents' association was founded. Mr. Fulton observed, the increase being largely due to medical research. While life insurance adheres to the sound principle that its funds are trust funds and should not be used for any purpose not related to the interests of its policyholders, these policyholders and the American people as a whole come pretty close to being identical groups. Therefore, said Mr. Fulton, the association's committee on medical research is raising the question of whether it would not be a proper and profitable move for life insurance collectively to make possible additional medical research with its consequent improvements in longevity and savings in mortality.

### FIELD COMPENSATION

Saying that plans for the welfare and improvement of the lot of approximately 200,000 persons employed by American life companies in home office and field "must be one of our primary concerns," Mr. Fulton declared that "we should see to it that it is never necessary for any agency to concern itself with the welfare and compensation of our employees."

"I think we must realize in this connection that the situation as to our field representatives is, in some particulars, far from satisfactory," he continued. "An examination of the fact indicates that a substantial proportion of the licensed representatives of American life insurance companies are earning substantially less than an amount which we could call satisfactory. I am convinced that this situation can be remedied without increased cost to policyholders and probably with actual decreased costs. I have the conviction that those of our representatives who are poorly selected and inadequately trained and are therefore poorly compensated represent an actual burden on the policyholders as a whole."

### Cites Progress Being Made

Mr. Fulton said that substantial progress is being made in this field through the efforts of the National Association of Life Underwriters, and the agency officers operating through the Life Insurance Sales Research Bureau. Individual companies have been taking steps which represent real progress. The Life Insurance Association, he said, should cooperate in every possible way to further the solution of this problem.

Mr. Fulton also referred to the life companies' activities in combatting inflation, in cooperating with the government on national service life insurance in the interest of returned service men, and in working with other life insurance organizations.

### Henderson Agency Hangs Up Big Total in Contest

The E. E. Henderson general agency of Pacific Mutual Life of Chicago had a total of \$1,062,067 business in the inter-agency production contest Oct. 2-Nov.

11. This was about 395% of quota. The November account of the agency was closed on the 15th with \$146,812, making total for the year \$2,374,551, and there is in the partial payment account business pending issue that will bring the total for 1944 to \$2,716,551.

J. T. Wilson headed the entire Pacific Mutual field organization in paid production in the period Sept. 16-Oct. 15 and through the November account has \$515,604 for the year. V. N. Sieving, of the Henderson agency for the same period has \$798,778 and Mr. Henderson has personal production totaling \$236,580. All of these figures include life, accident and health insurance, the A. & H. being counted on a commuted basis.

### Health Program Conference Proposes National Scheme

The Health Program Conference, made up of prominent physicians, economists, and administrators, has proposed a nation-wide health insurance program, to which all would be required to contribute in proportion to earning capacity. The smaller contribution of low-income groups would be supplemented by taxation.

The plan differs from the Wagner-Murray-Dingell bill pending in Congress in that it provides decentralized administration, local responsibility, recognition of voluntary hospitals and voluntary health insurance plans, and determination of policy by groups in which the public and the doctors would be represented, according to M. M. Davis, chairman of the conference and also chairman of the committee on research in medical economics. The plan would be national rather than state because many states lack the necessary financial resources.

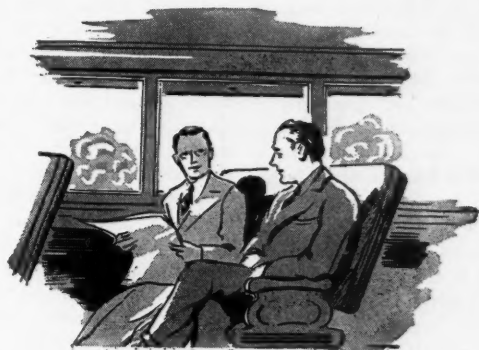
Other conference members are Dr. W. W. Alexander, vice-president of the Julius Rosenwald fund, Chicago; Dr. Hugh Cabot of Boston, Dr. N. W. Faxon, director, Massachusetts General Hospital; Dr. Channing Frothingham, Boston, chairman of the committee of physicians for the improvement of medical care; Dr. Alan Gregg, director of medical sciences, Rockefeller Foundation; Prof. J. P. Peters, Yale University school of medicine; Dr. Ernst P. Boas, chairman of the physicians' forum for the study of medical care. Among the 29 experts who worked out the proposals were the research directors of the C. I. O. and A. F. L. and a number of doctors, health administrators and economists.

### Altmeyer Sketches SS Program of Administration

WASHINGTON—An enlarged program for social security which the administration will submit to Congress next year, Arthur Altmeyer, chairman social security board, sketched at the recent House ways and means committee hearing on freezing the social security tax for 1945, will include extending coverage of old-age and survivors insurance to agricultural and domestic workers, non-profit organizations' employees, and possibly the self-employed, and employees of government, state or local; sickness and disability insurance for disabled workers; medical and hospitalization benefits, and federal administration of the unemployment compensation system.

Leo R. Porter, former president and secretary of the Kansas Association of Life Underwriters when he was Lincoln National general agent in Wichita, and also president and secretary of the association, there, is on a two weeks leave from the army to assist with the 6th war loan drive in that state. Before going into the army he was deputy state director of war loan activities. He is making a circuit of the state holding war bond meetings, accompanied by service men representing the marines, navy and coast guard.

## TO SAFEGUARD HIS EDUCATION



### First Father:

Well, Bill, I just took out a Prudential policy on the youngster's life. Now I know that there will be funds for college when the time comes.

### Second Father:

That's fine, it will be a big help later on. But if something should happen to you, wouldn't there be trouble meeting future premiums?

### First Father:

That's taken care of, too. There is a clause in the policy so that if I die or become disabled, The Prudential takes over the premiums for me. That education for Bill is as certain as anything can be.

THE PRUDENTIAL'S NEW COLLEGE  
FUND ENDOWMENT (JUVENILE EN-  
DOWMENT AT AGE 18) WITH APPLI-  
CANT'S PREMIUM WAIVER BENEFIT.



**The PRUDENTIAL**  
INSURANCE COMPANY OF AMERICA  
A mutual life insurance company  
HOME OFFICE NEWARK, NEW JERSEY

## EDITORIAL COMMENT

### Biddle's Motives Not Important

The authors of the campaign tract which Attorney General Biddle answers in a letter to John S. Tunmore, general agent in New York of Provident Mutual Life, will now probably acknowledge that it is a tactical mistake in political argument to make charges concerning the motives of the adversary. A man challenged as to motive is in a splendid position to arise in indignation and set the critic back on his heels. We haven't seen the tract on the insurance issue that Mr. Tunmore submitted for comment to Mr. Biddle, but apparently it gave the attorney general a neat opening by charging that his motive is to bring about federal regulation of insurance.

What Mr. Biddle had to say is no more than what he has repeatedly said in the past, but it did give him an opportunity to reduce the whole insurance issue to the matter of the Attorney General's motive.

To charge an adversary with possessing an ulterior motive, lacking as plain evidence as an admission from the latter's own lips, is to expose the critic's whole case to being discredited by an indignant denial of harboring the alleged motive. It is scarcely less effective, and deprives the adversary of a superficially devastating answer to contend that the

course of action complained of could very well set in motion a train of events that would eventuate in the conclusion that the critic fears.

Mr. Biddle says to Mr. Tunmore that his only motive is to put an end to alleged insurance practices that are alleged to be inimical to the public interest. That has been Mr. Biddle's position right along. But, in his letter to Mr. Tunmore, as in the past the Attorney General sidesteps the significance of the fact that in order to get a right of action against the insurance companies he had first to collapse the theory of government under which the insurance business had always heretofore been operated and to which it had developed its procedures and created its establishments. Mr. Biddle's motive may be solely what he states it to be and yet the consequences of what he has started may be revolutionary. We can't be convinced that Mr. Biddle was unaware of the hell raising potentialities of launching a prosecution that needed a Supreme Court holding that insurance is interstate commerce. It matters little what his motive may have been, his course of action is such as to make it possible at any time to centralize the regulation of insurance at Washington or to superimpose upon the state system some measure of federal authority.

### Our U. S.—Land of Opportunity

Periodicals and, in particular, newspapers are prone to boast of their achievements and publicize themselves if there is the slightest provocation. Once in a while a publication takes some step or engages in some pursuit that is much worth while and leaves a valuable lesson.

Therefore it might seem appropriate for THE NATIONAL UNDERWRITER to say a word about itself in connection with promotions that have been made in its official personnel. Two young men have reached commanding posts in the publishing company, who have been connected with it for many years and who started with it as very young men in minor positions.

Howard J. Burrage, who succeeds to the presidency and thus becomes the operating head, started with the publication when he was 19 years of age after spending a short time helping in a shoe store. He has been vice-president and secretary. Louis H. Martin, vice-president at the Cincinnati office, will round out 19 years of service, Jan. 1. He came to THE NATIONAL UNDERWRITER

after a brief association with the Procter & Gamble Co. at Cincinnati as an office boy.

Therefore these two young men started early in their careers with the publication and have gradually worked up to the top of the ladder largely by their own efforts and ambition.

It seems to us that this furnishes a very vital and significant lesson. In what other country could such a situation be found? Both of these young men had to support themselves and work for a living. They possess certain characteristics and aptitudes that any young man might study who wishes to reach the goal of his ambition. They have never refused to accept any assignment. They have always done more than they were asked to do. They have been industrious from the beginning. They have been intelligently industrious, however. They have not been satisfied to surround themselves with a wall and work within that circumference but they have studied what men higher up or even near by were doing. They became acquainted with the persons who were

responsible for the management. They recorded their strong and weak points. They knew where they had made wrong decisions and had not used the best judgment. They endeavored to contribute something to the organization as they went along. They learned to be resourceful and fruitful. They had imagination. They saw possibilities for improvement and communicated them to the management.

There was never a duty assigned them that was too small or too great but what they assumed it. They did not enter into office politics or intrigue. They minded their own business, made friends, looked ahead, endeavored to justify themselves as they went along. One of the important features of these two promotions is that neither young man had any special "pull." Neither was favored in any way. Each had to hoe his own row and hoe it well. They

attempted in every position they held to do the job meritoriously. They did not seek to advance themselves through any particular line of favoritism nor at the expense of others.

The observations are indited for the special benefit of young people who are starting their careers in business because this is an encouraging sign. This is an example of individual initiative and free enterprise. It is characteristic of the United States of America which we love.

We hope to continue these conditions whereby when young folks have opportunities and grasp them and when they merit advancement they get it. They are not held down by any caste system nor are they frozen in any particular job. It is examples of this kind that should prove encouraging and inspiring to those starting at the bottom of the ladder.

## PERSONAL SIDE OF THE BUSINESS

Harley R. Hootman, who has been an examiner for several states during the past 14 years, has resigned from the Mississippi examining staff due to illness and will remain at his home in Sheldon, Ill., for a year or so in an attempt to recover from a severe attack of arthritis.

Theo P. Beasley, president of Republic National Life, and R. C. McCord, president of Southland Life, are co-chairmen of the insurance and real estate division in the drive for \$1½ million for Baylor hospital, Dallas.

Mrs. James C. Fishwick of Warren, Pa., with her three small children, has left to join her husband who is manager of United States Life at Bogota, Colombia. Among the officials of U. S. Life who saw the party off was Galen D. Litchfield, director of the Latin-American division at Bogota, who happened to be in New York at this time.

San Francisco agents of American National tendered Ernest Gutterson, superintendent of ordinary agencies, a dinner on his first visit to San Francisco since he joined the company. He had been with Phoenix Mutual in that city before joining California-Western States Life as inspector of agencies, a position he left to join American National last year. Louis A. Schrepel, manager of the San Francisco agency, was host.

After serving 30 years as a director of the St. Paul Y. M. C. A. and president the past five years, Dr. T. H. Dickson, medical director of Minnesota Mutual Life, has retired from active work in the organization. He was presented a scroll honoring his long service.

Lewis W. Douglas, president of Mutual Life, has been elected a director of General Motors Corporation.

Frank R. Philpott of St. Louis was the leading personal producer of Columbian National Life in October and the year to date, with a total for the 10 months close to \$500,000. He is also one of the company's leading producers of accident and health lines. This is his first year with Columbian National. He was formerly St. Louis general agent of Monarch Life.

Dr. Albert J. Robinson, vice-president and medical director of Connecticut General Life, has completed 20 years with the company. He became assistant medical director in 1923, medical director in 1932, chairman of the underwriting committee in 1941, and vice-president and medical director in 1943. He is past chairman of the Medical Section of the American Life Convention and active in the Association of Life Insurance Medical Directors.

Alexander Mackie, president of Presbyterian Ministers Fund of Philadelphia, has been elected a trustee of Temple University in Philadelphia.

E. B. Sims, state auditor and insurance commissioner of West Virginia, was re-elected for a fourth term at the November election, he thus entering his 16th year in this office. He is the chief fiscal officer of the state and has under his direction a number of other bureaus besides insurance.

## DEATHS

### Death Takes Great Leader, Aetna's "Seab" Whatley

Seaborn T. Whatley, vice-president of Aetna Life and one of the best-known life insurance executives in the country, died at Hartford Hospital last Friday night at the age of 57.

Mr. Whatley, who had recovered from a serious illness about a year ago, was taken ill Nov. 7 and had been in the hospital since Nov. 11.

Mr. Whatley had devoted his entire business years to insurance, starting in 1907 upon graduating from University of Alabama in 1907.

During his period in the field Mr. Whatley was a valued leader in organization affairs. He served as president of the National Association of Life Underwriters in 1929-30.

At the time of his death he was a

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CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. S. Cutler, Associate Managers. E. E. Lindgren, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; J. T. Maloney, News Editor.

DALLAS 1, TEXAS—526 Wilson Bldg., Tel. Riverside 3383. Fred B. Humphrey, Resident Manager.

DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.: R. B. Mitchell, Eastern Editor; George E. Wohlgenuth, Assistant Editor; Dorothy B. Paul,

Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. B. Fredrikson, Resident Mgr.

SAN FRANCISCO 4, CAL.—507-8-9 Platon Bldg., Tel. EXbrook 3054. F. W. Hland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.



trustee of the American College. Just before going to the hospital he had reported as chairman of the nominating committee of the Agency Officers Association.

At the time of his death, he was a member of the Life Insurance Coordinating Committee. In 1937, he served as chairman of the board of directors of the Sales Research Bureau, and the following year was chairman of the executive committee. In 1936, he was chairman of the Life Insurance Week com-

ciation. It was not long before the Chicagoans launched a successful movement for Mr. Whatley to become president of the N.A.L.U.

Mr. Whatley had a cordial and ingratiating personality that made him a popular figure. He took hold of Aetna Life in Chicago which had deteriorated and built it rapidly and solidly from the start. He would go to bat for his agents and friends. He had a deep sense of personal loyalty.

This is the second year in succession in which Aetna Life has lost a top executive in his 50's. Stillman F. Westbrook, vice-president in charge of mortgage loans, who was counted on to assume much greater responsibilities, died April 28, 1943, at the age of 54.

The funeral was held Monday afternoon at St. John's church, West Hartford, with Rev. Harold H. Donegan officiating. The bearers were: Robert B. Coolidge, Ralph W. McCreary, Nicholas M. DeNezzo, Robert W. Wilkinson, Roland F. Fay, Dexter M. Phelon, Ernest B. Twiss and George E. Hearn, all associates of Mr. Whatley.

### Frank N. Julian, Veteran Ala. Superintendent, Dies

Frank N. Julian, 72, superintendent of insurance of Alabama and former president of the National Association of Insurance Commissioners, one of the best known men in the commissioners' ranks, is dead. He had suffered a heart attack about a year ago, but had recovered sufficiently to be able to be up, when he was stricken again.

Superintendent Julian had been prominent in Alabama political circles since the turn of the century, starting in 1899 as a clerk in the legislature. He was secretary of the state's constitutional convention in 1901 and secretary of state 1907-11. He first became superintendent of insurance in 1923, serving until 1927, then was reappointed in 1935 and had served continuously since then under three governors. For 20 years or more he never missed a convention of insurance commissioners. He was elected president in 1938 and previously had served as chairman of the executive committee.

Widely known as "Uncle Frank," Mr. Julian had a warm friendliness and wit that made him a favorite after-dinner speaker. His wealth of Negro dialect stories knew no end. He has appeared on every program of the Alabama Association of Insurance Agents as long as most agents can remember and held a gold embossed card as honorary member No. 1 of the association.

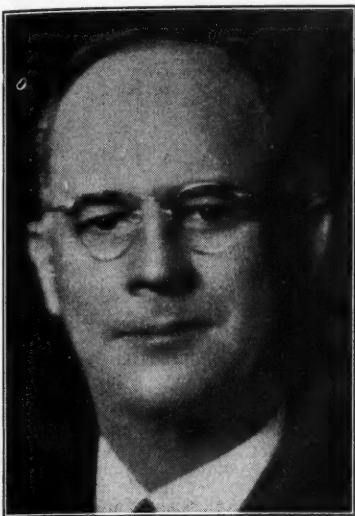
He founded Bankers Fire & Marine and was its president from 1929 until 1935. His son-in-law, Sam M. Boykin, is now its president. Beginning life as a country newspaper editor, Mr. Julian was editor of the Sheffield "Standard" 1915-23 and was president at one time of the Alabama Press Association. He was a charter member of the Sheffield Rotary Club and former president of the Sheffield Chamber of Commerce.

Whenever he was in New York Mr. Julian always created much amusement by his firm refusal to ride in subways. He explained that he did not want to be killed underground.

At one time Mr. Julian was an official of Union Life and Unionaid Life, both companies then being located at Rogers, Ark. He then returned to Alabama to become president of the newly organized Bankers Fire & Marine.

Robert W. Watson, 50, president of Morris Plan Insurance Society of New York, died at his home at Croton-on-Hudson, N. Y., after a heart attack while on the way to his office. He had been president of the company since 1937 and was a director of Morris Plan banks in several cities.

Cornel B. Myers, 56, associate general agent of Aetna Life in Richmond, died in a Baltimore hospital from a heart attack the day after he had been admitted to the hospital for treatment.



S. T. WHATLEY

mittee and last year he was chairman of the Agency Officers Association.

While in Pittsburgh in 1923, he headed the Pittsburgh Association of Life Underwriters and he was president of the Chicago association in 1927.

Mr. Whatley possessed an exceptional capacity for friendship. His warm personality and his understanding nature drew people to him, and gained for him hundreds of friends in every section of the country.

Mr. Whatley was born near Greensboro, Ala. After a boyhood spent on his father's plantation, he entered the University of Alabama, where he won a letter in football.

### Was with Reliance Life

Following his graduation, he entered the real estate and insurance business in Birmingham, and two years later he joined Massachusetts Mutual in charge of the Birmingham office. In 1911, he became a field supervisor for Reliance Life and made his headquarters in Mobile. He was later transferred to Seattle, and given charge of developing business in that state. In another promotion, he was placed in charge of the home office agency of Reliance.

In 1923, Vice-president K. A. Luther of Aetna Life, who was familiar with Mr. Whatley's record, offered him an opportunity to join Aetna Life. Mr. Whatley accepted and he was named associate to General Agent N. E. Dege in Pittsburgh. This, however, was only a temporary post and three months later Mr. Whatley was named general agent in Chicago.

As a result of Mr. Whatley's record in Chicago, he was elected vice-president of Aetna Life in 1933 when Mr. Luther resigned. In his post at the Aetna Life, Mr. Whatley had charge of the agency and sales force.

Mr. Whatley leaves his wife Mrs. Erwin Scott Whatley; a son, S. T. Whatley, Jr., and a daughter, Mrs. Frank Busch, Hartford; three grandchildren; and three brothers, one of whom is F. Crook Whatley, Aetna Life general agent at San Francisco.

Mr. Whatley arrived in Chicago to become general agent of Aetna Life at a time when a number of other managers were newcomers to Chicago, including A. E. Patterson and W. M. Houze. That group became potent factors in the business and in the life underwriters asso-

## Men Want Security After the War

Never have so many been considering so seriously the problem of safety — financial and economic — in the years beyond the War.

Avenues of safe investment, impact of rising prices, hazard of unemployment, limitations of business opportunity — these things engage the public mind as never before.

Life insurance comes foremost among the answers. And Fidelity Mutual provides that answer in concrete form.

While steadily increasing the sum and safety of its resources, Fidelity has also steadily broadened its coverage to meet the demands of the changing times. Its policy forms provide selling tools which look to the needs of tomorrow as well as of today.

Fidelity agents, however, not only are given the tools, but are trained in their use by means of thorough instruction, sympathetic supervision and co-operative leadership. Upon such relationships has been built its reputation as a friendly company.

The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY  
PHILADELPHIA

E. A. Roberts, President

He had been with Aetna for 20 years. In 1924 he and the late James K. Dunlop became general agents in Richmond under the style of Dunlop & Myers. Mr. Dunlop later withdrew from the agency and Mr. Myers became associate general agent when a branch office was opened by the Aetna in Richmond. Mr. Myers was previously with Provident Mutual Life in that city.

**Howard P. Getz**, 72, for 32 years with Connecticut Mutual Life, died at his home in Columbus, O., after three years illness. He was one of the early leaders in the Columbus Association of Life Underwriters.

**Robert F. Perry**, 64, president of Capitol Mutual Life of St. Paul, died there. He had been with various life companies as a producer before becoming president of Capitol.

**William H. Roberts**, 88, retired vice-president and director of Continental Casualty and Continental Assurance, died at Seattle following an illness of several weeks.

Mr. Roberts was actively associated with the Continental companies 22 years. He joined Continental Casualty in 1909 as auditor. Commissioned to control important financial interests and to or-

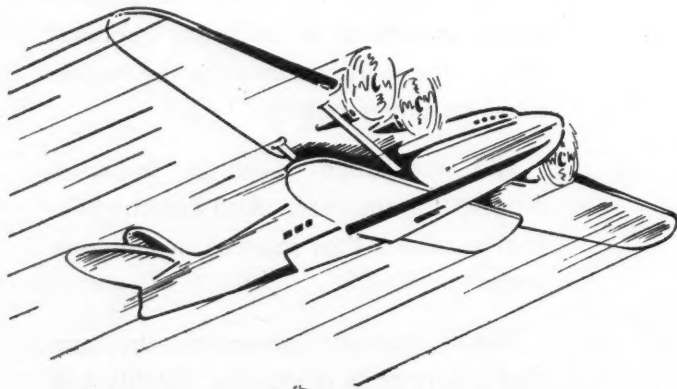
ganize the accounting system of this company, he was appointed treasurer in 1911. That year he played a major role in establishing Continental Assurance, becoming financial head of the new company as well. He was issued the fourth policy of the new company, and it was the only one of the first four policies still in force at the time of his death.

#### Later Served as Adviser

Mr. Roberts became vice-president and director of the two companies, posts he held until his retirement from active service in 1931 at the age of 75. He then became honorary vice-president, remaining with the organization in an advisory capacity and as a director until 1937. He moved to Seattle a few years ago to make his home with his son, Wesley K. Roberts.

#### Chase Smith Ill. C. of C. Insurance Committee Head

Chase M. Smith, counsel of Lumbermen's Mutual Casualty, has been selected as chairman of the insurance committee of the Illinois Chamber of Commerce. The first meeting of the committee will be held Dec. 19.



## IF YOU ARE AVIATION MINDED...

You will be interested in the Franklin Life Insurance Company's new liberalized underwriting regulations on many types of aviation risks... commercial airline pilots and crew members... private pilots... student pilots.

The Franklin... oldest existing life insurance company granted an original charter in the State of Illinois... is proud to move ahead and progress with the gigantic, rapidly expanding aviation industry... and again places in the sales portfolio of its agency representatives additional modern money-making contracts.

**Valuable General Agency Franchises Are Available**



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America  
"Over a Quarter Billion of Insurance in Force"

## NEWS OF THE COMPANIES

### Hughes and Lechner H. R. Lawson Actuary of Worcester Group Are Advanced

J. McCall Hughes has been named associate comptroller and Vincent F. Lechner, assistant comptroller of Mutual Life.

Frederick W. Miller, the present comptroller, has been granted a leave of absence, after 38 years of service, prior to his planned retirement early next year. Mr. Hughes will be in charge of the accounting activities, while Mr. Lechner will retain his present position of associate treasurer.

A graduate of Brown University in 1933, Mr. Hughes served with Bankers Trust Co., in New York until 1939, when he became associated with Mercantile Commerce Bank & Trust Co., of St. Louis. In 1943, he joined Mutual Life as administrative assistant to the executive vice-president.

Mr. Lechner entered the insurance field in 1915, when, at the age of 15, he joined Mutual Life as a messenger. In 1920, he became a bookkeeper in the accounting department and held various positions in that division until 1940, when he joined the treasurer's department. He was appointed assistant treasurer in 1941. Until last year, Mr. Lechner was an instructor in accounting in the Insurance Society of New York.

Massachusetts Protective, Massachusetts Protective Life and Paul Revere Life have appointed Harold R. Lawson as actuary.

Mr. Lawson is a fellow of the Actuarial Society of America and American Institute of Actuaries, 1933. He leaves the position of associate actuary of Crown Life of Toronto, with which company he has been associated for 18 years.

Mr. Lawson is a native of Toronto and is now a member of the joint educational committee of the Actuarial Society and Institute. He is secretary of the Toronto Board of Trade Club and is a past secretary of the Actuarial Club of Toronto.

Alson C. Patton is associate actuary of these companies, and will continue his work as heretofore.

### Rees Resigns Post with American National

E. A. Rees has resigned as vice-president in charge of industrial agencies of American National. During the nine years he has been in charge of the industrial department its industrial business has increased 146% and its ordinary 126%, American National having moved up to fourth place in industrial among all companies. Mr. Rees has not announced future plans.

### Newcomer with Postal Union

Earl T. Newcomer of Kansas City, manufacturer and factory representative in the funeral business, has become associated with Postal Union Life of Hollywood, Cal., that is owned by Utter-McKinley Mortuaries. He will promote the installation of Postal Union funeral insurance plans as a feature of mortuary operations throughout the country.

### Plan Mutual Benefit Centenary

A centennial celebration committee has been appointed by Mutual Benefit Life to formulate plans and arrange a program for the celebration Jan. 30-31, the latter date being "Charter Day." Mildred F. Stone, agency field secretary, is chairman.

R. C. Holbrook has joined the staff of junior executives of Republic National Life. He is a graduate of the University of Texas. His business experience comprises several years with Dallas Power & Light, Interstate Theaters and Federal Reserve Bank.

Sovereign Life of Edmonton, Alta., has appointed **Thomas E. Waddington** sales supervisor. He has been with Prudential nine years, recently as assistant superintendent.

### United of Chicago Adds to Capital: Income Up \$2 Million Over 1943

At a special meeting of stockholders of United of Chicago, a stock dividend of 50% was voted, which will increase the capital from \$450,000 to \$675,000.

Statement was made at the meeting that the financial condition warranted this increase and that the annual statement would show a surplus of \$1,000,000 exclusive of capital.

It was also indicated that the income for the year would be over \$6 million, an increase of \$2 million over 1943.

The company is now operating in six states and is contemplating applying for admission to several additional states immediately.

The predominating business of United is accident and health, both weekly and monthly; however, it is making definite strides in the hospitalization field as well as having well established life departments.

### Jones Succeeds Beardslee

Sherwood Jones, former assistant to Louis Schmoll, assistant secretary of Metropolitan Life in San Francisco in charge of ordinary, has been appointed head of the Pacific Coast head office's publications division to succeed the late Dana D. Beardslee.

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# LIFE AGENCY CHANGES

## Jason E. Stone to Join Finkbinder in Philadelphia

Jason E. Stone, Jr., assistant superintendent of agencies of State Mutual Life, will join the A. C. Finkbinder general agency of Northwestern Mutual Life in Philadelphia Dec. 15 to take up organization activities. Mr. Stone will devote his major efforts to the induction and training of new organization, for which he has demonstrated particular aptitude.



J. E. Stone, Jr.

He is a native of Pennsylvania and majored in business administration at the University of Pittsburgh. He entered the general insurance business in 1926, and the following year became an agent of State Mutual, with which he has been associated the past 17 years. After four years of successful selling, he was appointed supervisor in Pittsburgh and three years later took over similar duties in Chicago. He was appointed field assistant in the home office agency department in 1935.

### Experience on Coast

From 1936 to 1938 Mr. Stone was in charge of production and agency development of the west coast agencies, with headquarters in San Francisco. In those two years the production of those agencies was nearly doubled. Returning to the home office, he was made agency supervisor and later promoted to assistant superintendent of agencies.

## Felkel American National General Agent in West S. C.

Fred W. Felkel, Anderson, S. C., has been appointed general agent for western South Carolina by American National of Galveston.



F. W. Felkel

Mr. Felkel is a life member and 1944 qualifying member of the Million Dollar Round Table and for the past two years has been the leading producer and president of the Honor Club of Protective Life of Birmingham. He also holds what is said to be the world's record for the largest number of medically examined ordinary applications ever written in a thirty day period. His record of 625 such individually written applications, each for \$1,000 or more insurance and none on the salary savings plan, was made in November of 1924.

## Life of Va. Names Williams Manager at Charlotte

Lloyd Williams has been named manager of the ordinary department of Life of Virginia in Charlotte, N. C. He succeeds S. Casper Chandler, who remains with the company as a personal producer.

A graduate of the University of North Carolina, Mr. Williams has been in life insurance 17 years, and has had a progressively successful experience in personal sales and agency management. He has been associate manager of Union Central Life in Charlotte. He served as president of the life underwriter association in Durham, N. C., and in Raleigh, N. C. At present he heads the Managers & General Agents Association of Charlotte.

## Associate General Agent of Lincoln National in S. F.

Willis C. Silverthorne has been named associate general agent in San Francisco for Lincoln National Life. H. F. Sleeper is general agent. Mr. Silverthorne will represent the company in San Francisco and San Mateo and Santa Clara counties, with his main headquarters at San Francisco.

Mr. Silverthorne entered life insurance in 1932 as an agent in Milwaukee. Recently he was a member of the life department of Cosgrove & Co., in San Francisco.

## Eric Wilson to Los Angeles

Eric J. Wilson, general agent at Seattle for Central Life of Iowa, has been transferred to Los Angeles to become head of a second general agency. Mr. Wilson is author of a booklet, "There Are No Strangers." Pending selection of a successor to Mr. Wilson, the Seattle agency will be directed by R. V. Cummings, northwest supervisor, with the assistance of Lloyd Perkins formerly with Pacific National Life.

## Macauley Resumes Old Post

W. T. Macauley has been honorably discharged from the army after two years of service and has resumed his duties as associate state agent of John Hancock ordinary department in Detroit under his father, C. A. Macauley.

## Three Travelers' Appointments

Robert G. Gay and Frank W. Nee have been appointed Travelers life department field assistants. Mr. Gay in New Orleans and Mr. Nee at the 55 John street branch office, New York City.

Mr. Gay has served in various capacities and at a number of locations throughout the south. He has been in insurance since 1929. Mr. Nee joined Travelers in 1934 as clerk in the home office group department and in 1936 was given various assignments in the field as group service representative. He transferred to the agency department Dec. 1.

Thomas H. Kimball, group assistant of Travelers at Boston, has been appointed assistant district group supervisor there.

# MANAGERS

## Layman Gives Views on Manager's Responsibilities

The San Antonio Life Managers Club heard Ben Smith, division commercial superintendent of the Southwestern Bell Telephone Company and vice-president of the San Antonio Sales Managers Club, give "A Layman's Observations of the Life Manager's Responsibilities." In opening his discussion, he presented his own collection of policies which he has bought through the years. He said he still likes some of the men who sold him insurance. Others he dislikes and always will.

He said owning of life insurance is as important to a young man as his being assured of the company pension when his years of service are completed. He calls in young men who are working for his company and discusses with them the need for life insurance. He always welcomes the coming of a salesman and said he has learned something from each one who called.

He believes life managers should take time to see that the new man receives the proper introduction into his field of work. His observation of men in sales work is that they like to feel important and know that they are appreciated. He stressed the importance

of teamwork in developing a sales force and the manager's ability to go out and work with a man.

Mr. Smith called attention to the usual lack of anything other than a blunt statement on a premium notice. He indicated that a courteous touch here might build good will.

## Johnson Lists Essentials for Maintaining Manpower

Raymond Johnson, assistant vice-president of New York Life, addressed General Agents & Managers Association of Northern New Jersey at a dinner meeting in Newark on "Maintaining Sales Manpower."

He listed five essentials in agency management: (1) Better selection of men; (2) salary for apprentice agents who qualify; (3) limitation on new agents for one year; (4) a more practical educational program; (5) right objectives on the part of the companies and work by general agents and managers which will double the field force in the next decade.

He said recruiting of women, according to reports, is gradually dying out and the current trend is toward obtaining personnel among discharged service men.

## Fischer Pittsburgh Speaker

Chester O. Fischer, vice-president of Massachusetts Mutual Life, will speak

on "Men, Money and Management" at a luncheon meeting of the Pittsburgh Supervisors Club Dec. 13, in Hotel Roosevelt. This will be the annual yuletide luncheon. New officers will be elected.

At the Dec. 6 meeting of the Life Managers Association of Minneapolis, Mrs. Marty Mann, executive director of the National Committee for Education on Alcoholism, spoke on "Alcoholism and the Alcoholic."

# NEW YORK

## SELLING AGENCY CELEBRATES

The Julius Selling, New York City agency, of State Mutual Life, observed the close of its combined third anniversary and the company's "100 days" campaign with a gala luncheon at which George A. White, president, and R. H. Denny, superintendent of agencies, were guests. The agency, despite the fact it started from scratch three years ago and the loss of 12 men to the armed forces and war work, ranked seventh among all agencies of the company in November with a gain of 25% over last year up to Nov. 1. In April, 1944, the agency led the company in both volume and lives and in March, April and July led greater New York, unprecedented for a new



"One of the Best"

THE ever present "Help-Your-Buddy" spirit, even when seriously wounded, is "One of the Best" of many superior qualities displayed by our Fighting Yanks, making ultimate Victory a certainty.

Among insurance companies, Central Life, now in its 49th year, strong and progressive, with \$195,000,000 of insurance in force, also is recognized as "One of The Best."

**CENTRAL LIFE**  
ASSURANCE SOCIETY  
(Mutual)  
HOME OFFICE - DES MOINES

## 8 General Agency Opportunities Open

Toledo, Ohio  
South Bend, Ind.  
Omaha, Neb.  
Denver, Colo.  
Lansing, Mich.  
Kewanee, Ill.  
LaCrosse, Wis.  
Ottumwa, Ia.

WRITE, if you think you can qualify.

agency. The agency made this record through insurance on individual lives exclusively without any pension trust business.

Mr. Selling said his principles are hard work, thorough training and education, establishment of strong and friendly ties between the general agent and agent, avoidance of "no" or blunt refusals whenever possible, putting the agent's interest first, and complete belief in life insurance.

#### N. Y. SUPERVISORS' DINNER DEC. 7

The New York City Life Supervisors Association held its annual Christmas dinner Dec. 7 at Drug & Chemical Club. Harold Cronin, Prudential, president, introduced prominent guests.

#### WOMEN GIVE PLAYLET

A playlet, "At the Bar of Public Opinion," was presented at a meeting of the New York League of Life Insurance Women. The cast included Shirley Garson, New York Life; Rosalie Higgins, Equitable Society; Rose Korn, New York Life; Mary Lancier, New York Life; Nellie Leeds, Equitable Society; Edythe Milton, Equitable Society.

#### Dearden Buys Boston Paper

John E. Dearden of Philadelphia, publisher of the "American Underwriter," has purchased the "Insurance Age" of Boston. He intends to operate it as an independent paper at least for some time. Editor Armstrong will continue to handle the Boston paper under Mr. Dearden's supervision.

## CHICAGO

#### GLASSER HITS FAST PACE

Joshua B. Glasser celebrated his first anniversary as a general agent of Continental Assurance in Chicago, by leading all agents of the company in personal production during November. During that period he wrote \$2,400,000 retirement income insurance, \$1,500,000 group and \$85,000 individual policies for a total of \$3,965,000 aggregate annual premiums amounting to \$215,000. In addition, accident and health and hospitalization business written during the month amounted to \$28,000 in annual premiums. The grand total of Mr. Glasser's November business was \$243,000 premiums written.

Mr. Glasser is a specialist in employer-employee coverages. During the 10 years prior to his association with Continental, he was associated with the Lustgarten agency of Equitable Society.

#### C.L.U. GALA EVENING

About 50 turned out for the annual fall dinner and social evening of the Chicago C.L.U. chapter. The House on the Roof of the Sherman hotel was secured for the occasion and that was especially conducive to a fraternizing evening. Harry Schultz, Mutual Life, the president, performed to the extent of calling on a number at the table to take a bow, including Paul Cook, Mutual Benefit, as trustee of the American College; Roland Hinkle, Equitable Society,

regional vice-president America Society C.L.U.; Gerard Brown, Penn Mutual, former president American Society; Paul Williams, Aetna Life, chairman of the arrangements for the dinner, who got an enthusiastic hand; Nelson Phelps of Jamison & Phelps, new general agents of Northwestern Mutual, who was attending his first C.L.U. gathering in Chicago; Walter Pratt, who has just become connected with John O. Todd, Northwestern Mutual general agent; Miss Joy Luidens, executive secretary Chicago Association of Life Un-

derwriters; Miss Helen Zepp, Equitable Society, chairman publicity committee of the chapter, and Ike Curtiss, Travelers, the newest member of the chapter.

#### NEW YORK WOMAN TO SPEAK

Hermine R. Kuhn, field assistant of Manhattan Life in New York City and chairman and life member of the Women's Quarter Million Dollar Round Table, will address the women's division of the Chicago Association of Life Underwriters Dec. 16.

## NEWS ABOUT LIFE POLICIES

### Dividend Action for 1945 Is Shown

Early announcements of policy dividends to be payable in 1945 indicate a trend toward maintaining the same scale as was in effect in 1944. All but four of the companies in the following list which report "same as 1944" are using this scale for at least three years. Two companies have adopted an increase;

two are to pay a lower scale and one will pay the same dividend in dollars and cents as was paid in 1944.

The rate of interest shown as payable on funds left with the company is that payable in 1945 on recent issues; if older contracts guarantee a higher rate, that guaranteed rate, of course, is payable.

Name of Company	Action Taken in 1945	Interest payable in 1945 on			
		Non-Withdr. Funds Pct.	Withdr. Funds Pct.	Div. Accu. Pct.	
Aetna Life	Same as 1944	3.0	3.0	3.0	
Boston Mutual	Same as 1944	2.5	2.0	2.5	
Central, Ia.	Same as 1944	Not available			
Columbus Mutual	Same as 1944	Not available			
Confederation	Same as 1944	3.5	3.5	3.5	
Conn. Mutual	Revision—mostly increased	3.25	3.25	3.0	
Continental Amer.	Approx. 18% increase	3.25	3.25	3.25	
Expressmen's Mutual	Same as 1944	3.0	3.0	3.0	
Farm Bureau	Same as 1944	Not available			
Federal, Ill.	Same as 1944	2.5	2.5	3.0	
Girard Life	Same dividend paid as in 1944	Guar. rate			
Great West	1944 scale continued into 1945	3.5	3.5	3.5	
Guardian, N. Y.	Same as 1944	Guar. rate			
Home Friendly	Same as 1944	3.0	3.0	2.0	
Imperial, Can.	Same as 1944	3.3	3.3	3.3	
John Hancock	Same as 1944	Not available			
Lafayette	Same as 1944 except single prem. and deferred annuities	3.0 & 3.5	2.5 & 3.5	3.5	
Lincoln Liberty	Same as 1944	2.5	2.5	3.5	
Manufacturers	Same as 1944	Guar. rate			
Midland Mutual	General reduction except on low premium plans	2.5	2.5	3.0	
Midwest Life	Same as 1944			3.0	
Monarch, Mass.	Same as 1944	Not available			
Mutual Life, N. Y.	Tentative 10% increase	Not available			
Mutual, Can.	Same as 1944	3.5	3.5	3.5	
National, Vt.	Same as 1944	3.3	3.3	3.3	
New England Mutual	Same as 1944	3.25	3.25	3.25	
Northern, Wash.	Same as 1944	Guar. rate			
N. W. Mutual	Same as 1944 except single prem.	3.25	3.15		
Occidental, Cal.	Same as 1944	Not available			
Ohio National	Decrease	3.0	3.0	3.0	
Pan-American	First dividend payable in 1945	3.25	3.0	3.25	
Provident Mutual	Same as 1944	3.25	3.25	3.0	
Scranton	Same as 1944	Not available			
Security Mut., Neb.	Same as 1944	3.5	3.5	3.5	
Standard, Ind.	Same as 1944	3.5	3.5	3.5	
State Farm	Same as 1944	2.75	2.0		
Teachers I. & A.	Same as 1944	Guar. rate			
Union Central	Same as 1944	Guar. rate			
Union Labor	Same as 1944				
Western Life	Same as 1944		3.5	3.5	

\*On issues subsequent to Jan. 1, 1940; prior issues, the guaranteed rate.

### Mutual Life Dividends Up 10%

An increase of \$1,200,000, or nearly 10%, in the total amount of dividends to be paid to policyholders in 1945 by Mutual Life has been tentatively approved by the trustees.

The amount allotted for dividends in 1945, is \$14,400,000, as compared with \$13,200,000 in 1944, but is still subject to final approval by the trustees at their first meeting in 1945.

### United Benefit Life Rally in Omaha Next Week

Managers of Mutual Benefit Health & Accident and United Benefit Life will hold their first meeting since 1940 in Omaha next week. Plans for 1945 will be discussed. More than 160 will be present. A. W. Heuertz, Memphis, president of the managers association, will preside.

### Tax Talk at Indianapolis

The Indianapolis C.L.U. Chapter held a luncheon meeting Thursday, at which R. W. Hilgedag, legal editor R. & R.

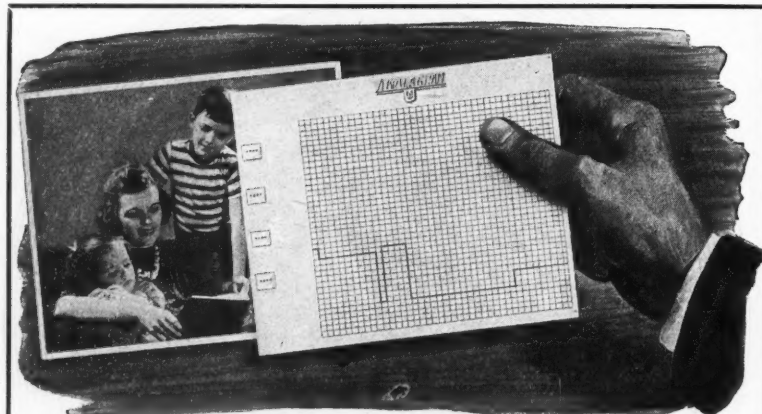
### Rio Grande National Rates Are Increased

Rio Grande National of Dallas increased premium rates Dec. 5 on all but life expectancy and joint life policies and term insurance, which was decreased.

Ordinary life was boosted only a few cents at all ages but age 60 which was decreased 3 cents per \$1,000. The increase in other forms is dependent on the investment element and amounts to as much as \$7 per \$1,000 at some ages on the higher premium policies. The new scale is:

Age	Ord. Life	Pay Life	20 Yr. End.	20 Yr. Age	End. 65	5 Yr. Term	10 Yr. Term
10	\$11.76	\$20.04	\$42.02	\$13.36			
15	12.87	21.40	42.14	14.94			
20	14.25	23.03	42.31	16.97	\$ 7.75		
25	16.00	24.98	42.56	19.64	8.08		
30	18.24	27.35	42.94	23.25	8.53		
35	21.36	30.43	44.01	28.49	9.19		
40	25.49	34.40	45.58	36.17	10.26		
45	31.09	39.43	48.10	48.10	12.15		
50	38.77	46.10	52.27		15.78		
55	48.93	54.71	58.56		22.16		
60	63.07	66.92	68.92				

Service, spoke on "Prospective Change in Taxation." Life insurance executives and members of the C.L.U. study class of Indiana University extension division were guests.



### The Two Family Pictures

One day a man proudly showed a visitor a picture of his fine family. "Let me draw you a very different picture," said the visitor. "It may amaze you. How would your family support themselves through the years—without you to help them? This picture tells you. Here is your oldest boy about to enter college. Look—how their income drops off! And at the very instant they need more money." "But," the man told the visitor, "I had planned it all so carefully! Can I change this unfortunate picture?" "Yes, indeed!" replied the visitor, who was a life insurance agent. "But let's not call it an unfortunate picture. It shows you the mistakes of the future—in time to correct them now. This 'Analograph' picture is the luckiest one you may ever see. Since, from it, I can now draw you a changed picture. And a brighter one!" Again the man was amazed. This time, because he saw clearly the future he might readily provide.

QUESTION: Which life insurance company analyzes and pictures a family's future by the Analograph?

ANSWER:



**The Mutual Benefit Life Insurance Company**

Newark, New Jersey

(FROM OUR SERIES OF ADVERTISEMENTS IN NATIONAL MAGAZINES)



## ACCIDENT AND HEALTH

### Prepare Uniform Form for Substandard A. & H.

Preparation of a manual and a uniform policy form for writing substandard business has been started by the special risks committee of the Health & Accident Underwriters Conference under the direction of Chairman A. D. Anderson of Occidental Life.

In compiling the manual of procedure the committee will limit its scope of activity to risks declined or terminated at present by the average company. Risks which become impaired but are carried on the books by present underwriting procedures will not be considered as substandard. Mr. Anderson points out that a considerable volume of impaired accident and health business is being successfully handled at present by waivers and riders.

A uniform substandard policy is considered necessary by the committee in order to obtain combined experience for future underwriting and rating, as well as simplification and better understanding by the public of the coverage to be granted. Limits of indemnity and periods payable must of necessity be

kept at reasonably low levels. It is hoped that competitive factors can be eliminated in the issuance of substandard coverage and it can be offered to the public as a service.

At a meeting of the special risks committee held last month it was reported that a survey among member companies of the conference indicated that it was considered unnecessary and impractical to form a pool or utilize reinsurance facilities for handling of substandard business. Chairman Anderson believes that his committee can complete the essential work in this project by Feb. 1 for consideration at the mid-year meeting of the conference in Chicago Feb. 5-6.

### Seek to Compose Disputes Over N. Y. Health Plan

NEW YORK—Representatives of six county medical societies in the New York area have been holding a series of conferences with members of Mayor LaGuardia's proposed Health Insurance Plan of Greater New York and it is probable some common ground for agreement may be reached in a week or two. Differences of opinion have existed between the doctors and sponsors of the mayor's plan, principally over the questions of income ceilings for subscribers, lay or medical control over the plan, and the practicability of adding home and office medical care to hospital insurance.

An editorial appeal to labor to join in "constructive action" on health planning appeared in the Medical Society of the County of New York Journal. The editorial, asking for cooperation with the medical profession, called for "bold and determined experimentation in medical economics" to avoid a "federal strait jacket over medical practice."

LaGuardia, announcing his plan over the radio last April, said he preferred a national compulsory system such as the Wagner-Murray-Dingell bill. The editorial declared a compulsory system would result in second rate medical care.

### North American Life in Accident and Health Field

North American Life of Chicago entered the accident and health field Dec. 1. Its initial accident and health kits include an individual and a family group hospital policy and a non-classified accident and health policy. By the first of the year, it plans to add an additional accident and health policy and a combination policy to be sold in conjunction with life insurance.

James Croft, supervisor of agencies, will be in charge of the accident and health business.

Mr. Croft has been with North American Life since the first of the year, lining up plans for the new department. He has been in insurance work in Chicago since graduating from college in 1929 and for six years was in the agency department of Continental Casualty.

### New Companies in Conference

Pacific Mutual Life and National Life Assurance of Oklahoma City were admitted to membership in the Health & Accident Underwriters Conference at an executive committee meeting in New York. This brings the total membership in the conference to 130.

### West Heads New Department

National Life Assurance of Oklahoma City, formerly National Aid Life, which recently increased its capital from \$100,000 to \$200,000, has launched a new department known as the intermediate department, issuing a full line of lifetime income disability forms as well as a special line of individual and family group hospital policies. W. M. West, formerly

of Chicago, well-known among accident and health men, will be vice-president in charge of this new department.

### N. Y. Blue Cross Removes 21-Day Limit Per Year

Increased benefits to policyholders of Associated Hospital Service of New York are announced. Subscribers will be entitled to receive hospital care for 21 days for each separate illness instead of 21 days for the entire year. The policy of granting benefits for 90 extra days at one-half the regular hospital rates will remain in effect for each period of hospitalization. In addition a cash allowance of \$7.25 will be paid to those who may need operating room service at the hospital but who do not become bed patients.

### Advisory Group Meets

The General Agents Advisory Committee of Bankers Life of Nebraska has completed its quarterly session at the home office. This committee has proved to be a substantial help in management problems for almost two years, during the absence of C. H. Heyl, director of agencies, in the army.

## ASSOCIATIONS

### Imperative to Safeguard Estates, Tax Attorney Says

Increased taxation and more difficult administration of both large and small estates in wartime make it necessary that safeguards against forced sales of assets and resulting loss in estates be arranged, Milton Elrod, Jr., tax attorney, told the Indianapolis Association of Life Underwriters.

The low level of interest rates has cut returns from most estates to about one-half of former income, Mr. Elrod said. At the same time, living and maintenance costs are up. Often estate depreciation will run from 25 to 50%, and many times more. It is therefore important that estates be transferred with the lowest possible cost and with the smallest depreciation. He recommended making adequate provision for income and estate taxes, and for death, administration, and other estate transfer expenses which can be foreseen. Life insurance to provide cash when needed to pay these estate expenses, and thereby prevent loss, is widely recog-

## THE NEW INSURANCE MONEY MAKER

issued by the  
ILLINOIS BANKERS LIFE ASSURANCE  
COMPANY

## THE INCOME BUILDER

1. We have a NEW PLAN to enable you to make more money in these times.
2. ONE-TENTH THE SALES, through large first commissions and large renewal commissions will return you TEN TIMES the earnings of the same volume of life insurance alone under our plan.
3. IN ONE YEAR, you build as large a renewal income as you would in ten years writing the life insurance alone under our plan.
4. This Insurance Pays All Ways:
  - If you live too long.
  - If you do not live long enough.
  - If you are disabled.
  - If you have an emergency need for cash.

ALL AT EXCEEDINGLY LOW COST.

HUGH D. HART  
Vice President and Director of Agencies

**Illinois Bankers Life  
Assurance Company**

MONMOUTH, ILLINOIS



HAVE YOU EVER SEEN A "KRIEGE-GEFANGENPOSTKARTE"? THIS MANY-SYLLABLED GERMAN WORD MEANS "THE POSTAL CARD OF A PRISONER OF WAR."

BEN BERWICK, Supervisor of Field Service of the Manufacturers Life, has sent us such a card which he received from Capt. Woodwise. Dated Sept. 4, 1944, the Captain acknowledges the receipt of an R & R Sales Training Course, saying:

"The R & R Course has arrived. Thank you so very much for it. This is quite the most interesting present I have received and I am fairly wallowing in it."

"I don't have to tell you just how much help it has been to me, and I hope it will not be so long now before I can put it to practical use. Kindest regards to you and your family."

LITTLE DID WE THINK when we built the R & R Sales Training Course that it would be studied either by Canadian or American boys in German prison camps. It seems a bit incongruous for former agents to be studying the fundamentals of life insurance salesmanship behind the barbed wires of a prison camp—one more reason why there can be no home front slackening now that we can begin to see the beginning of the end.

PAUL SPEICHER  
Managing Editor  
**THE INSURANCE  
RESEARCH & REVIEW SERVICE**  
INDIANAPOLIS



## Now DOCTOR'S CALLS In His Office, Hospital or YOUR HOME...PAID

Under provisions of the new, improved  
B. M. A. "All-Ways Income Plan,"—and  
many liberalized benefits are offered.

## NEW B. M. A. Income Plan

provides similar contracts for men and  
women, no medical examination required.

## HOSPITAL & SURGICAL Benefits for Self and Entire Family

issued for ages 3 months to 65 years,  
inclusive. Hospital room and other ex-  
penses paid in any hospital—Anywhere  
—Every type of surgery included—Even  
pays for nurse in your home—Maternity  
benefits paid in or out of hospital—  
also guaranteed monthly income when  
you are disabled by...

- ACCIDENT • SICKNESS
- PROVIDES FOR RETIREMENT
- PAYS YOUR DEPENDENTS  
IN CASE OF DEATH FROM  
ANY CAUSE



"Symbol of  
Complete Protection"

Monthly payments optional,  
from \$5 to \$25 and up, de-  
pending on benefits you need.

## Business Men's Assurance Co.

HOME OFFICE, KANSAS CITY 10, MO.  
Branches throughout the United States

Furnish full information on your NEW  
Income Plan for family security.

Name.....  
Address.....  
City..... State.....  
Age..... Occupation.....  
Fill out, paste on Postcard and Mail

This advertisement is a re-  
production of one of a series  
now appearing in TIME,  
NEWSWEEK and The  
UNITED STATES NEWS.

nized as one of the best safeguards for  
estates, and for the heirs dependent on  
estate incomes.

## Conn. Round Table Hears Simon

The Life Underwriters Leaders' Round Table of Connecticut held a meet-  
ing in Hartford with 22 of the 36 mem-  
bers present. Leon Gilbert Simon, Equitable Society, New York, spoke on "Business Insurance."

**Rochester, N. Y.**—Fred L. Mason, manager of Travelers, has been elected a director to succeed Paul E. Van Horn, who has entered the marines.

**Elkhart, Ind.**—Rev. Trevor Dillon, pastor of the Goshen Presbyterian Church, spoke at the "ladies' night" party.

**Northern New Jersey**—A new committee on public relations and publicity has been named, with Marvin V. Henkel, Mutual Benefit Life, as chairman. The association plans to have speakers address civic clubs, women's organizations, schools and other groups to point out what life insurance is doing for the public and its many advantages.

Another new committee is that on National Service Life Insurance, headed by J. Bruce MacWhinney, John Hancock Mutual Life.

**Oklahoma City**—Don Ross, merchandising manager of "Successful Farming," will speak Dec. 15 on "How to Sell Farmers."

**Springfield, Mass.**—H. Sheridan Baketel, Jr., manager Union Central Life at Philadelphia, talked on "A Dime a Dozen" at the meeting Wednesday.

**Pittsburgh**—Norbert H. Weidner, president of the Pittsburgh association, spoke on "What Is It Worth to You?" at a luncheon meeting of the New Castle branch Thursday and at a dinner meeting of the Butler branch the same day. The preceding day he made the same talk at the Washington branch.

Edward L. Relley, Cleveland general agent of Penn Mutual, is addressing a luncheon meeting Dec. 14, on "Overcoming Buying Resistance."

**Denver**—At the November luncheon John P. Williams spoke on "The Richest Mine." The meeting was sponsored by the educational committee, headed by Isadore Samuels, New England Mutual.

**Buffalo**—Dean Lewis A. Froman of the University of Buffalo talked on "Compulsory Military Education."

**Toledo**—Judd C. Benson, Union Central Life, Cincinnati, N.A.L.U. trustee, discussed what to do about pending state and national legislation.

**Pittsburg, Kan.**—The monthly meeting was devoted to planning for the sixth war loan drive.

**Wichita, Kan.**—The annual ladies night party will be held Dec. 15 with W. M. Osterberg, superintendent of schools of Coffeyville, as guest speaker. The C.L.U. class now has 20 enrolled.

**Topeka, Kan.**—The association sponsored a war bond rally and entertainment at the Topeka high school at which a group of returned war veterans from the various services appeared.

**Manhattan, Kan.**—T. O. McClung, Aetna Life, past president, gave a report of the Wichita meeting with National President W. H. Andrews.

**Hutchinson, Kan.**—Tribute was paid to Bert S. Berry, Travelers, on his 70th birthday. He was one of the founders

of the Hutchinson association and has been secretary for more than 10 years, during which time he has missed only one meeting.

**Boston**—William H. Andrews, Jr., N.A.L.U. president, spoke on "Today and Tomorrow."

Montague P. Ford, president of the Boston association, announced that the annual sales congress will be held March 2.

## IN U. S. WAR SERVICE

**Pvt. T. F. Ramirez**, who was an agent for Life & Casualty at Memphis before entering the service, is reported missing in action. His wife is clerk in the Memphis district of Life & Casualty and he is a brother-in-law of Vice-president C. M. Herron of that company.

**S. Sgt. Don Coates** of the marines has received an honorable discharge and is again co-publisher and advertising manager of the "Southwestern Insurance Graphic," Dallas. Lorry A. Jacobs will continue as business manager and life, accident and health editor and Mr. Coates will act as fire, casualty and marine editor.

**Lt. Harry Seay, Jr.**, vice-president and assistant treasurer of Atlas Life, has been promoted to lieutenant commander. He went into service in August, 1942, and was stationed in Corpus Christi, Tex., until recently. Now he is on active duty at sea. He went with Atlas Life five years ago.

**Lt. Nev Williams**, a department head of Republic National Life who entered the air service two years ago, is in Ashburn hospital, McKinney, Tex. On May 24, on his ninth mission as navigator, his plane was shot down over Austria, but he returned to his own base. After months in a cast from head to foot, he was returned by air to this country. He is able to get about on crutches.

**Pvt. R. H. Talbot** formerly with Lincoln National Life in Detroit, has received the Purple Heart for a wound received in action in France.

## John Pearson Meets Commissioners

John D. Pearson of Indianapolis, special agent for Glens Falls Insurance Company, who is slated to be named as the new insurance commissioner of Indiana when the new Republican governor takes office early in January, attended the insurance commissioners' meeting in New York this week and was introduced to many of the state officials and camp followers. Although it is certain he will be appointed the official announcement, however, will not be made until early in January when the governor announces his entire cabinet. Mr. Pearson is about 40 years of age. He is a popular field man. He is a close friend of the governor-elect and handled many of the financial arrangements in connection with the campaign. Mr. Pearson went to the home office of Glens Falls and stopped in New York on his way home.

## RAINBOW'S END

On September 28, 1937, the Bankers Life Company of Des Moines issued a \$3,000 policy (Family Protection, 20-year Benefit) to a 28-year-old farmer; married, with three children.

On August 6, 1944, the insured went fishing with a friend and while running a trotline a tragedy occurred. The men had landed a fish and when it flopped out of the boat the insured tried to retrieve it, capsizing the craft. His legs became entangled with the line and he was drowned, although his companion succeeded in righting the boat and keeping the head of the insured man above water for half an hour.

A son of the drowning man, on the bank, rushed for help, which was too late in coming. The son had started fishing with the men, but fearing the boat was overloaded had persuaded his father to take him back to shore, where he waited.

At the time of the fatality premiums had been paid on the policy totaling \$597.24. A cash clean-up fund of \$305.26 was paid immediately, together with \$3,000 Double Indemnity benefits. In addition, beginning September 6, 1944, \$30.32 will be paid by the Bankers Life Company to the beneficiary for a period of 157 months; totaling \$4,791.64. A final cash payment of \$3,075.01 will be made on September 6, 1957.

Here is a financial resume of this transaction:

Payments at death.....	\$ 3,305.26
\$30.32 per month for 157 months .....	4,791.64
Cash payment on September 6, 1957.....	3,075.01
Total payments .....	\$11,171.91
Premiums paid .....	597.24
Net gain over investment.....	\$10,574.67
Percentage of gain over investment .....	1,770%

★ ★

**BANKERS Life**  
the Double Duty Dollar Company  
DES MOINES

## ADVERTISING AND SALES PROMOTION OPPORTUNITY

A long established multiple-line life and accident and health insurance company seeks the services of an experienced man capable of taking charge of insurance advertising, sales promotion and preparation of the company magazine.

Please give past experience in this work, as well as personal information. All replies will be treated in strict confidence.

Write Box A-65, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.





At the convention of the Institute of Life Insurance: Claris Adams, president Ohio State Life and newly elected chairman of the Institute board; Holgar J. Johnson, president of the institute; James A. Fulton, president Home Life and president Life Insurance Association of America; Holgar Johnson; H.



W. Manning, managing director Great-West Life; J. E. Rutherford, executive vice-president National Association of Life Underwriters; Gerald S. Nollen, president Bankers Life of Iowa, and James W. Irwin, management counsel National Dairy Products Corp., speaker.

## Adams Is Named Board Chairman

(CONTINUED FROM PAGE 2)

prepared is a survey of annual statements, giving suggestions on how these be made more attractive and understandable to the public. Mr. Johnson made a number of thought provoking comments. He said that in the past, life insurance had been considered by its own people as a financial organization, the most stable of any. While the stability of a life company is of course important, he suggested that its relations with people, its policyholders, beneficiaries and its own personnel, as an instrument of social service, were the major factors in recognition of the place it belongs. The public, he said,

doesn't criticize the size of any social instrument. He congratulated the business for its leadership in taking up the project of medical research work, on which considerable exploratory work has been done.

### Questions Technical Terms

Mr. Johnson questioned the use of some technical terms in making up annual statements which mean little to the public. For instance, "ordinary" insurance, which he suggested meant nothing distinctive to the average citizen who might own "ordinary" insurance. The use of a number of such terms in common usage in the business is discussed in the newest annual statement booklet.

### Stresses Human Factor

Stressing the importance of the human factor in business relationships, James W. Irwin, management counsel on industrial, public and stockholder relations of the National Dairy Products Corporation, said the formula for determining desirability of investments must now take into consideration this new factor. Sales volume in itself is no longer an absolute guarantee that a company is soundly administered and that the company enjoys public good will. High wages are not alone an indication of employee confidence and good industrial relations. A company's assets, prone to be measured in dollars and cents, are much more than that. They are the employees themselves.

Mr. Irwin expressed the opinion that too much emphasis has been placed on financial and physical assets and "not nearly enough on two types of assets without which the others aren't worth a plugged nickel. Your employees and your public are worth more in dollars than all the buildings, plants, bonds and cash that you show in your balance sheets," he declared.

### Confidence Is Essential

"If employees have confidence in their management they can move mountains in our behalf. They will take a greater interest in their work. They will do it more quickly and more safely. They will help to absorb newcomers and give them a better conception of the business. They will prove to be forceful word-of-mouth salesmen for the product or service they represent. They will build public regard for the organization they represent. Such rewards are not easily gained."

As employees represent the company to the public it is becoming clearer that the springboard to good public relations is the employee himself. In other words public relations begin at home right in

the plants and offices among the workers.

Underlying all policy in regard to public relations must be the philosophy of the business: its way of doing business, its standard of ethics, its consideration of employees, stockholders, suppliers or consumer, its overall objectives. Public relations can be summed up as the day by day mirroring of the philosophy plus service of a business. That means telling to people, both public and employees, not only what services it renders but why they are rendered. This means, as well, selling the company and its members back of the service, along with the service itself.

The development of the anti-inflation cooperative advertising program of the Life Insurance Companies in America was outlined by H. C. Flower, Jr., vice-

president J. Walter Thompson Company. No attempt was made to tackle all of the problems of inflation, but the job is to talk to the individual and tell him what he should do about it. The results of the anti-inflation program were that the cost of living has been kept under better control than in the last war, individual savings reached unparalleled heights and debts were reduced, and life insurance in force has increased by nearly one-third. Life insurance has received recognition in the official government program.

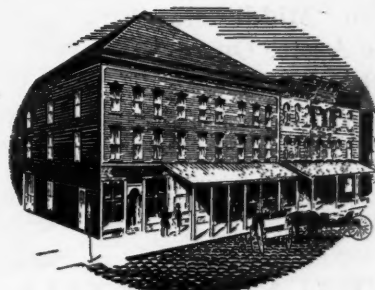
In opening the meeting, Mr. Nollen stressed that it is both important for the public to understand the business and for the business to understand the public. The advertising and related activities of the cooperative program were exceedingly well prepared, he said, and

## "A STORY OF SECURITY"

This is the title carried by each of a series of presentation briefs in use by field men of Bankers Life. There is a brief showing a model case illustrating each of the common needs for life insurance. They embody a new sales approach developed and proven through study and field experience in our own organization. Bankers Life men are making production records with them because they lead to larger sales with a minimum of conversation in developing the interview. People are interested in "a story of security."



**Bankers Life**  
INSURANCE COMPANY  
OF NEBRASKA



Since 1867

a life insurance company distinguished by

the character and ability of the men and

women comprising its field organization ...

and by the integrity of its management.

# EQUITABLE LIFE OF IOWA

Founded 1867

HOME OFFICE

DES MOINES, IOWA

many by-products and avenues of approach have resulted from the campaign.

Navy Lieutenant A. C. Daniels, secretary of the institute before he entered military service, attended the meeting. He is now stationed in Washington.

#### Active in Business

Mr. Adams, who becomes chairman of the board, is regarded as particularly well fitted for his new duties. He has been a member of the executive committee and has had a broad and extensive experience in the administrative and legal aspects of the business. A former Indianapolis attorney, he was secretary and general counsel of the American Life Convention for several years, later becoming vice-president of the American Life, Detroit. He has been president of Ohio State Life a number of years and has given unsparingly of his time for the advancement of the business.

The book every A. & H. man should read—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.

## Two Minutes to Go; Ball on 40 Yd. Line

(CONTINUED FROM PAGE 2)

From N.A.I.C. sources came a report that Senator Bailey, co-author of the states rights bill, favored substituting the N.A.I.C. draft for the other measure, with the prospect for speedy enactment.

However, "I have not stated my position," Bailey told THE NATIONAL UNDERWRITER, "nor have I given any one else authority to state my position."

#### Need Greater Accord

Sources close to Bailey took the view that it would be useless, or worse, to attempt to secure insurance legislation when groups seeking action by Congress are as opposed to each other in their ideas of what kind of legislation should be passed as are supporters and opponents of insurance legislation fighting each other. They say the insurance executives want one thing, state com-

missioners another, and life, perhaps, a third.

Congress has a full calendar, the sources referred to pointed out, including measures dealing with social security tax, war powers, rivers and harbors, flood control, crop insurance, St. Lawrence seaway, general appropriations, federal highway construction, constitutional amendment. The members, who hoped to recess by Dec. 10, now look forward to Dec. 15, but the session may continue until about Dec. 20.

Even so, these sources see little likelihood that controversial insurance legislation could be passed by this Congress. The only chance they see for passage would be in case of complete agreement on a compromise bill. Without such, they foresee Senate rejection of the Walter bill, unamended, if attempt were made to put it through.

That outcome, they point out, would give insurance legislation a black eye for the future. The precedent of rejection would have been established. And members and observers of Congress know how difficult it is to overcome such a precedent.

Even if legislation were passed at this session, sources close to Bailey believe it would be vetoed by the President on advice of Attorney General Biddle. So again they ask: What's the use?

## Life Companies Buy Heavily in Bond Drive

(CONTINUED FROM PAGE 3)

Pearl Harbor to approximately \$12 million. The company now has about 35% of ledger assets in government guaranteed securities.

Home office employees of Metropolitan Life made 16,880 sales of war bonds, with a maturity value of \$15,895,055, during the week ended Nov. 29, and to date their sales in the war loan campaign are 53,081 for \$22,424,250. There are 1,191 employees who have received the Blue Star ribbon of merit, signifying that each has made 10 or more war bond sales.

## Avoid Threat of "Volumitis"

(CONTINUED FROM PAGE 3)

their desire to assume their full responsibilities, in cooperation with management and all its spheres, and fulfill their obligations to the public, Mr. Andrews emphasized. Field men do not expect or plan to seek special favors or concessions. "They are mindful only that, in seeking success in any field of endeavor, there can be no immunity from the discharge of rightful responsibilities."

#### Pride Is Essential

Mr. Andrews paid particular tribute to the high character and integrity evidenced by company executives which have earned trust and confidence of millions of people and the admiration and respect of field men. Mr. Andrews quoted Ernie Pyle's statement that "Nine-tenths of morale is pride in your outfit and confidence in your leaders." Although executives have provided outstanding leadership in the past, in the future "your field forces are going to look to you more and more for leadership in the matter of field management," Mr. Andrews emphasized.

Many service men who will constitute the post-war market "will return with new ideas born and created by experience unknown to most of us, making it imperative that we gear our salesmanship to meet that market and preserve for our business its rightful share of the post-war dollar," Mr. Andrews declared. N.A.L.U. members realize these things and will not be content to allow themselves or others to go ill-equipped into the post-war competition. "They are anxious and willing to accept their

part of the responsibility of modernizing our distribution system and improving the sales and service techniques of our field forces."

#### Introduces Satterfield

President James A. Fulton of Home Life, president of the Life Insurance Association, was

toastmaster at the luncheon at which Mr. Andrews spoke. He did not introduce all the head table guests, saying that they were already well known to the gathering, but he did ask Superintendent Dineen of New York and Rep. Dave E. Satterfield of Virginia to take a bow. Representative Satterfield's election as general counsel of the association was announced last week.

In his prefatory remarks Mr. Fulton said that history records man's constant struggle for liberty and security and that when it is necessary men sacrifice liberty to have security. There are only two ways to have security, he said. The first is to have the government provide it and that means less liberty. The second is through life insurance.

"If we fail in our efforts," he warned, "the trend to collectivism will be irresistible and rapid."

The institution of life insurance, Mr. Fulton said, has the custody of the American dream of individual liberty and all that that means to the hopes of mankind. Though the meeting was a one-day affair with the luncheon the only open session, the affair drew a large attendance. A number of representatives of fire and casualty organizations were present.

#### Andrews Has Busy Schedule

W. H. Andrews, Greensboro, N. C. president, National Association of Life Underwriters, is having a busy week. He spoke last Friday before the luncheon meeting of the Life Insurance Association of America. He addressed the Portland, Me., association Monday. He spoke before the Boston people Tuesday. On Wednesday and Thursday he was at Worcester, Mass., attending a Massachusetts conference of life underwriters' associations. He speaks at Hartford Friday and New Haven Saturday.

## RECORDS

**North American Life**—In October the agency force honored President E. S. Ashbrook's 35th year with the company by producing nearly \$1,750,000 of business and making it the 15th consecutive month to show an increase over the corresponding month last year. The leading agency was the Illinois Boosters, managed by John W. Hoffman of Peoria. The leading personal producer was Bonnie Weaver of Canton, Ill.

**Fidelity Mutual Life**—The company reached its 1944 goal of \$425 million of insurance in force Nov. 28. An increase in insurance in force of more than \$20 million is in prospect for 1944.

**Philadelphia Life**—Paid for business for the first 10 months was 11% greater than for the parallel period of 1943; cancellations were 28% less and the gain in business in force was 86% more than the gain during the first 10 months of 1943. The gain in force for the first 10 months is greater than the gain for the entire year of 1943.

**Lamar Life**—Paid for business during November totaled \$1,016,422, which was the first million dollar month since June, 1940. The goal of \$10 million paid business for this year will be surpassed by a good margin.

**Volunteer State Life**—Reports an increase of 210% in insurance in force in November over the same month last year. New paid business in November registered 80% above the same month last year.



D. E. Satterfield

**LIFE**

**SELL THEM WHAT THEY WANT  
ACCIDENT HEALTH**

Sell the public what it wants—

complete personal protection. You can build a good volume with the Federal Life and Casualty's accident—health—life protection for both men and women and juvenile life for children. Territory open in 30 states.

**FEDERAL LIFE AND CASUALTY CO.**  
DETROIT - - MICHIGAN

**We Have No "Middle Man"**  
To Take A Bite Out of YOUR APPLE

If you are interested in building, through direct contract, a General Agency in your community, send for a copy of our "Field Features" and see how you can keep the apple all to yourself!

Write to—

J. DeWitt Mills, Supt. of Agents  
3207 Washington Blvd., St. Louis, Mo.

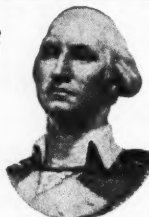


**MUTUAL SAVINGS**

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY

*Life Insurance Company*

**GENERAL AND DISTRICT AGENCY**  
**TERRITORY AVAILABLE IN**  
**Kentucky, Virginia, West Virginia**  
**and District of Columbia**



Portfolio includes all standard forms of Life and Endowment policies as well as Wholesale, Group, Salary Deduction, Government Allotment, Juvenile, Family Income and Retirement Plans.

**George Washington Life Insurance Company**

Home Office  
CHARLESTON, WEST VIRGINIA



## Only Motive to Banish Private Coercion: Biddle

(CONTINUED FROM PAGE 4)

inimical to the public interest. The Department of Justice has no desire or purpose to break down state regulation of the insurance business.

### Private Coercive Practices

"Surely, this great business can be conducted in accordance with effective state regulatory laws without resort to private monopolistic and coercive practices which violate the federal anti-trust laws."

Mr. Biddle went on to say that under the Supreme Court decision in the S.E. U.A. case the business of insurance is interstate commerce, and the regulation of insurance is within the province of Congress if Congress proposes to enact requisite legislation. At no time, however, Biddle states, has the Justice Department advocated nor does it now advocate federal regulation. Furthermore he stated he had not heard any official department or agency of the administration suggest such a program.

Biddle quotes a statement in the pamphlet: "In the long run a state is socialistic or it maintains the individual free enterprise system. It is certain that there is no middle way."

### Private Collectivism

As to that, Biddle stated the Justice Department suit against the S.E.U.A. is aimed "at a private collectivism in the fire insurance industry which determines who shall be permitted to do business and what prices are to be charged. All who oppose this regimentation and try to compete are treated as outlaws. An essential part of the free individual free enterprise system is freedom to compete. A free enterprise system is incompatible with restrictive price agreements or with coercive measures to exclude outsiders. The employment of such devices in an industry have an inevitable tendency to promote regulation in order to protect public interests. The enforcement of the Sherman act as a means of removing private abuses is the best way to avoid further regulations."

"It is, of course, the privilege of any citizen to urge that the anti-trust law should not be applicable to him or to the industry in which he is interested. He may take the position that for some special reason he should be permitted to engage in coercive tactics against competitors and to enter into price fixing arrangements which would ordinarily be considered against the public interest. As a matter of common honesty, however, an argument for immunity from the Sherman act should not be dressed up as an argument against federal regulation or in favor of free enterprise. It is an argument in favor of a form of private collectivism."

## Leans to N.A.I.C. Legislative Program

(CONTINUED FROM PAGE 3)

to get their program enacted but if the prospect becomes hopeless, then it would not be surprising if they should switch to support of the N.A.I.C. bill.

The life companies' concern is almost entirely with respect to the discriminatory feature of premium taxes—levies which tax out-of-state companies at a higher rate than domestic companies or which tax the former while exempting the latter entirely. There are some pre-1938 U. S. Supreme Court cases which seemed to indicate that states were barred from taxing interstate transactions even on the same basis as intrastate business but since that date decisions have been handed down which

give ground for believing that a properly drawn state tax statute would be held to be within the state's power if it did not discriminate against interstate business.

### Sentiment Not Unanimous

Tuesday the executive committee held a session devoted to the question of liability of officers and directors for paying premium taxes pursuant to state laws which might later be declared invalid as unduly burdening interstate commerce. Most of the life companies seemed willing to go on paying the required taxes if the states would pass laws exempting directors from liability for doing so, but this sentiment was not unanimous and it appeared likely that even though the laws were passed an effort would be made to remove the discriminatory feature in states where it exists.

Robert L. Hogg, general manager of the American Life Convention, prepared a tentative draft of a proposal for immunity legislation which was given to the commissioners Wednesday. It would provide that no personal liability would arise against any director, trustee, officer or agent of any insurance company by reason of any payment made by or on behalf of such company on account of any taxes, licenses or fees paid pursuant to any statute, law or ordinance, even though such statute, law or ordinance should be subsequently declared or held to be invalid.

### States in Three Categories

Studies indicate that states may be divided into three categories as respects premium taxes. States which tax out-of-state companies only, or give domestic companies a lower rate without an offsetting tax on domestic companies that would bring about equality and hence would appear unconstitutional, are Alabama, Arizona, Florida, Kansas, Maine, Michigan, Mississippi, Nebraska, New Hampshire, South Carolina, South Dakota and Washington.

The second category, states discriminating in favor of domestic companies but having offsetting taxes on them that might make them non-discriminatory, are Arkansas, Illinois, Indiana, Iowa, Kentucky, Missouri, New Mexico, North Dakota, Pennsylvania, Tennessee, West Virginia and Wisconsin; also Oklahoma, Texas, Ohio and Oregon, although these four appear to be more discriminatory than others in the group and the latter two might be included in the first category.

There appears to be no discrimination in Delaware, District of Columbia, Maryland, Massachusetts, Minnesota, New York, Rhode Island, Vermont,

Virginia, and Wyoming. In the states not listed in any of the three categories, the question is believed to be so borderline for various reasons that no definite statement can be made one way or the other.

The following joint statement was presented Wednesday by the joint committee on taxation of Life Insurance Association and American Life Convention, of which President J. L. Loomis of Connecticut Mutual is chairman:

"So far as we have been able to ascertain, no life insurance company has the slightest desire to avoid the payment of premium taxes."

"Counsel for some companies, however, feel that certain premium tax statutes, because of their discriminatory nature, will be held invalid as a result of the recent Supreme Court decision. In order, therefore, to protect their directors from personal liability, some companies may reluctantly be forced to the conclusion that they must resist the payment of premium taxes in such states."

"1—If section 1 of the N.A.I.C. proposal were enacted, some companies otherwise constrained to resist will be advised to pay their premium taxes under discriminatory statutes without protest."

"2—If domiciliary states were to enact

statutes relieving directors of personal liability for the payment of premium taxes under statutes subsequently held invalid, other companies will feel free to pay their premium taxes without protest in such states."

"3—Even if such federal and state statutes were enacted, there can be no assurance that some companies, because of advice of counsel or because of circumstances peculiar to certain states may not still be constrained to pay certain premium taxes under protest."

### Discuss Legislation in Wichita

The Wichita General Agents & Managers Association discussed insurance legislation and named a legislative committee in preparation for the session of the legislature in January.

David Warshawsky, Reliance Life, Cleveland, passed the million-dollar mark in paid-for business Nov. 20. His total paid volume, including all business written to that date in 1944, approximated \$1,600,000. He is a life member of the Million Dollar Round Table.

Nils A. Iverson, 63, who recently retired after serving for 25 years as assistant manager of Metropolitan Life in Chicago, died.

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## LEGAL RESERVE FRATERNALS

### Finds Fraternal Mortality Close to Life Companies

NEW YORK—Progress in the study of the mortality of fraternal organizations was reported by R. G. Diepenbrock, actuary Missouri department, chairman of the fraternal mortality table committee of the National Association of Insurance Commissioners. A preliminary survey of data from 10 representative fraternal indicates that their experience doesn't vary much from the modern experience of life companies, he asserted at the committee meeting here. The committee is continuing its study and will ask for similar data from other fraternal. Other members of the committee are Arthur Cleary, Massachusetts, vice-chairman; H. Raymond Strong, Texas; G. H. McAteer, Washington; Charles Duval, New York, and H. G. Sellman, Tennessee.

### N.F.C. Officers, Executive Committee Meet in N. Y.

The officers and executive committee of the National Fraternal Congress met in New York this week during the insurance commissioners convention. The congress already had endorsed the commissioners' recommendations for legislative action.

Members present included T. H. Cannon, T. R. Heaney and E. J. Cummings, Catholic Order of Foresters; B. C. Marks, A. O. U. W. of North Dakota; Mrs. Dora A. Talley, O. S. Wells, J. A. Blaha, Mrs. Clara B. Cassidy, Woodmen Circle; F. F. Farrell, executive secretary N. F. C.; Hill Montague, Mutual Life of Richmond, Va.; James E. Reault, John E. Little, J. B. Baker and John P. Stock, Maccabees; H. L. Ekern, George Ekern and Edward D. Brown, Jr., Lutheran Brotherhood.

Also attending were Mrs. Jessie Mitchell, Royal Neighbors; S. H. Hadley and Harry Moore, Protected Home Circle; Farrar Newberry, W. O. W., president, and W. C. Below, Fidelity Life, vice-president of N. F. C.; J. D. Butkovich, Croatian Fraternal Union; Mrs. Clara B. Bender, Degree of Honor; Fred A. Johnson, Royal League; Mrs. Grace W. McCurdy, Royal Neighbors; F. H. Lee, Woman's Benefit; L. A. Knight, Royal Neighbors; Oscar A. Kotler, Artisans Order of Mutual Protection; De E. Bradshaw, W. O. W., Omaha; Alex. O. Benz, Aid Association for Lutherans; E. W. Below, United Commercial Travelers; T. W. Midkiff, W. O. W., Denver; Dan Mackin and Judge W. C. Braden, W. O. W., Omaha; G. G. Perrin, Robert Talbot, Joseph Fitzsimmons, W. Cable Jackson, F. J. Gadiant,

E. J. Bullard and J. G. Ray, Modern Woodmen.

### Maccabees Has New Family Income Plan

For several years the Maccabees has issued family income plans on the 10, 15, and 20 year period basis. Previously, the family income benefit was incorporated in a special certificate which was a combination of ordinary life and reducing term. This form of insurance has now been discontinued and a new family income arrangement adopted. A supplementary rider may be attached to any adult certificate issued except term and single premium plans. The new family income supplements provide for payment of an income for 10, 15 and 20 year periods dating from the issue date of the certificate. The extra rates required for the income benefits are payable for only 16 years on the 20 year plan, 12 years on the 15 year plan and eight years on the 10 year plan.

Where double indemnity is added to a family income certificate, the face amount of the certificate as a benefit payment is doubled in event of accidental death. When total and permanent monthly income benefit is added to a family income certificate, the disability income is 1% of the face value of the certificate payable monthly. The commutation privilege makes the form adaptable to mortgage redemption problems. Family income may now be issued to sub-standard risks if not rated beyond Table A. The new riders may be attached to outstanding as well as new certificates. The extra rates applicable to the new family income supplements are shown below:

Family Income Monthly Rates

Age	20	15	10	Age	20	15	10
16	\$0.37	\$0.28	\$0.19	39	.77	.53	.32
17	.37	.29	.19	40	.83	.56	.34
18	.38	.29	.20	41	.89	.60	.37
19	.39	.30	.20	42	.96	.65	.39
20	.39	.30	.21	43	1.03	.70	.42
21	.40	.31	.21	44	1.11	.75	.45
22	.41	.31	.21	45	1.21	.81	.49
23	.41	.31	.21	46	1.31	.88	.53
24	.42	.32	.22	47	1.42	.95	.57
25	.42	.32	.22	48	1.54	1.03	.63
26	.43	.32	.22	49	1.67	1.12	.67
27	.44	.33	.22	50	1.81	1.22	.73
28	.45	.33	.22	51	...	1.32	.79
29	.46	.34	.23	52	...	1.44	.86
30	.48	.35	.23	53	...	1.57	.94
31	.50	.36	.23	54	...	1.71	1.02
32	.52	.37	.24	55	...	1.86	1.11
33	.54	.38	.25	56	...	...	1.21
34	.57	.40	.26	57	...	...	1.32
35	.60	.42	.26	58	...	...	1.43
36	.64	.44	.28	59	...	...	1.56
37	.68	.47	.29	60	...	...	1.70
38	.72	.49	.31				

### Saulmon Speaks in Memphis

MEMPHIS—A. L. Saulmon of Cape Girardeau, Mo., formerly of Memphis, who recently was elected president of

Ben Hur Life, was a guest of the Memphis chapter of that society at a dinner meeting and gave a talk. He has been connected with the society for 36 years.

### Notables Are to Address New England Congress

The governor of Massachusetts and mayor of Boston have been invited to address the annual meeting of the New England Fraternal Congress to be held in the Lennox hotel, Boston, Dec. 9. A number of commissioners of the New England states also have been requested to attend and speak.

Farrar Newberry, head of W. O. W., Omaha, and president of the National Fraternal Congress, will be the principal speaker. There will be a short memorial service conducted by President Wilfred J. Mathieu, Manchester, N. H.

It is likely President Mathieu and his entire staff will be reelected for a second term.

### Discuss Plans for A.L.C. Industrial Seminar

NEW YORK—Several industrial company executives attended a meeting here called by Laurence F. Lee, president of the American Life Convention, to discuss plans for an A.L.C. industrial seminar. The basis of the discussion was a report made by Morton Boyd, president Commonwealth Life and secretary of the A.L.C. Industrial Section. While no definite conclusions were reached, the matter received favorable attention and study will continue. It is probable that details will not be completed in time to make it possible to hold an industrial seminar in the spring of 1945. Mr. Lee is president of Peninsular Life, Jacksonville, Fla., and Occidental, Raleigh, N. C.

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## Says Prospect Owes Agent Nothing

(CONTINUED FROM PAGE 4)

defendant, was acting as agent of the company and for no one else. Had he not solicited and written the insurance as agent for the company and had it paid for through his efforts he could never have become entitled to any commissions, "and if not entitled to commissions, his failure to receive them clearly could not be the basis of any claim against defendant," the brief emphasizes.

"So we are confronted with the unavoidable conclusion that in order to become entitled to the commissions, plaintiff had to do all he did, as he himself alleges, as agent for the company," Mr. Hirst's brief continues. "Nothing that he did was done for the insured. In order to become entitled to commissions, he had to solicit, he had to write and he had to have the insurance paid for. Therefore nothing that he did under the contract as alleged by his complaint and nothing that he testified to having done was anything but his legal duty to do if he wanted to become entitled to any commissions."

### Cites Higher Court Cases

Stating that it is elementary that a promise to do what one is under a legal duty to do is no consideration, the brief quotes from the New York court of appeals decision in *Vanderbilt v. Schreyer*, (91 N. Y. 392) the passage reading "the want of a consideration for such an agreement rendered it nudum pactum. A promise by one party to do that which he is already under a legal obligation

to perform has frequently been held to be insufficient as a consideration to support a contract."

This passage was also cited in the case of *Seybolt v. New York, Lake Erie & Western Railroad Co.*, 95 N. Y. 563, 575. In the *Seybolt* case a railway mail clerk was killed in a railroad accident. The railroad's defense against a claim for damage for negligence was that the railroad pass it had issued to the clerk contained a waiver of liability for negligence and that the clerk, by accepting the pass, had agreed to the waiver.

The court, after pointing out that such a waiver would be valid and enforceable if made "by a contract founded upon a sufficient consideration," held that there was no consideration for the alleged contract because the railroad company was under a legal duty to the government to furnish transportation to its mail clerk as part of its contract to carry the mails.

### NO AGREEMENT

Similarly, the state life underwriters association brief contends that Mr. Silverstein was under a legal duty to do whatever he did in his transactions with Mr. Rothstein if he wanted to earn commissions. Mr. Rothstein's promise to accept the policy and pay premiums thereon was therefore unenforceable because there was no consideration and hence constituted no agreement whatever.

The brief also makes a strong point in contending that the agent, in acting as he alleged, under a contract of employment with the prospect, had entered into a contract which was against public policy and therefore void. The brief points out a number of instances where there might be a conflict between the company's interest and that of the prospect. Citing pertinent provisions in Mr. Silverstein's contract of agency with Security Mutual the brief states:

#### Possible Conflict of Interests

"May it be noted that as regards the very matters as to which Security Mutual Life Insurance Company had the right to rely on plaintiff's loyal performance of his duties—the selection of a person 'believed to be eligible for insurance' as to the delivery of the policy during the defendant's 'lifetime and good health,' rather than during ill health—as to these very matters, unquestionably important to his principal, this plaintiff seen fit to enter into a contract of employment with the adverse party, defendant. He has thus seen fit to assume duties toward the adverse party that readily may turn out to be in conflict with his duties toward his principal."

#### Invalid Even if No Conflict

The brief makes it clear that no suggestion is being made that the plaintiff acted with anything but honesty toward his principal but stresses the fact that a life insurance agent could, if contracting with the adverse party while acting for his principal, put himself in a position where he might find himself in a very serious conflict of the duties owing to his principal on one hand and those owing to the adverse party from whom he had accepted a contract of employment. The brief quotes the following passage from the "Restatement of the Law of Agency as Adopted and Promulgated by the American Law Institute." \* \* \* an agent is subject to a duty to his principal to act solely for the benefit of the principal in all matters connected with his agency." The brief quotes a longer passage from the same volume to the effect that an agent violates his duty to his principal if without the latter's knowledge he serves as the agent for the other party to the transaction or if he contracts to serve the other party in a manner inconsistent with his duties to the principal, and the

transaction is fraudulent with effect to the first principal, who is entitled to the remedies given for fraud.

The brief emphasizes that if an agent or salesman enters into a contract of employment, unknown to his principal, and promises the adverse party to do the very thing which he is supposed to do for his principal, the contract is void and the courts will refuse to enforce it. It cites the case of *Levy v. Kram Inc.*, 18 N. Y. S. (2d) 847, 848, 259, A. D. 800, affirmed 285 N. Y. 670. In this case an employee of a tobacco company had contracted with an advertising agency to secure for the agency advertising contracts from large tobacco concerns which were customers of his employer, in consideration of promised commissions. The suit was to obtain commissions remaining unpaid after the employee's death, but the verdict was directed for the defendant and upheld on appeal.

Despite the fact, as pointed out by a dissenting opinion in the appellate division, that there was no showing that the plaintiff's activities had any effect on the quality or quantity of his work for his employer, the Metropolitan Tobacco Co., and that there was no proof in the record that the plaintiff's contract influenced his judgment in relations to his employer's business, the state's highest court denied recovery. Mr. Hirst's brief says that this case "clearly constituted far less of an interference with the principal's affairs than is presented in the case at bar."

#### "Employment" Not Proved

Even if it is assumed that instead of being an agent for the company, the plaintiff was free to accept employment from the prospect he still failed to prove that such employment existed, according to the brief filed by the State Life Underwriters Association. While a broker as such is not permitted to sell life insurance under the New York law but must be licensed as the agent of the issuing company, the assumption is

made in order to argue that in any event the plaintiff failed to prove any contract of employment, whether void and illegal, or valid and enforceable.

The brief points out that as a matter of common knowledge, life insurance agents are compensated by the company which issues the policy, that this relationship is well understood, that the New York law is clear that even a real estate broker, free to accept employment from either side, may not recover compensation from the prospective purchaser by way of damages upon the latter's failure to go through with the purchase unless it clearly appears that the purchaser impliedly agreed to employ him and pay such compensation. It is equally clear, the brief states, that merely dealing with such a broker in the ordinary way, such as was done in this case, is insufficient to give rise to any such implied agreement. A number of court of appeals cases are cited in support of this statement.

#### No Compensation Promised

The brief also makes the point that there is a total absence of any evidence on which an agreement could be implied on the part of the defendant to "employ" the plaintiff to procure a policy of insurance for him or to pay any compensation of any kind whatever. "The record is replete with admissions by plaintiff and his counsel that there was no agreement on the part of the defendant to pay commissions to the plaintiff. Plaintiff further conceded that never in his life had he received a commission from an insured and admitted that the company is the one supposed to pay."

"Plaintiff may attempt to escape the decisive effect of these authorities (the various decisions cited) by asserting, as he did below that he is not suing for 'commissions' but for damages, and therefore, his situation is distinguishable," the brief states. "Such a distinction can be urged only for the purpose of confusion. The situation of the

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plaintiff in the case at bar is identical with that of the plaintiff in each of the cases cited."

The Silverstein case attracted much attention and received much publicity in the insurance press when it was decided last spring. The feeling among practically all agents and company men was very strongly that it would be extremely unfortunate for the business to have it upheld on appeal. The obvious and sure result would be to make prospects extremely wary of having any dealings whatever with an insurance agent.

### Books to Mark Centennials of Two Life Companies Are Being Prepared

WASHINGTON—Two life insurance company centennial books are reported in process here. Shepard Clough, a Columbia University professor, is reported working on a volume to be commemorative of Mutual Life of New York, which marked its centennial last year.

Albert W. Atwood, former editorial writer for the "Saturday Evening Post" and a Washington resident, is writing a book to commemorate the centennial next year of Mutual Benefit Life, which he says is the third oldest life company in the United States. This book will deal with social and economic aspects of life insurance.

Marquis James, well known biographer, is reported writing a book for Metropolitan Life. New York Life celebrates its centennial in 1945, in which connection it is doing a public relations and publicity job.

Mr. Atwood rates life companies in order of age: Equitable Society, Mutual Life, Mutual Benefit, New England Mutual, New York Life, State Mutual Life of Worcester, Mass. Penn Mutual's centennial will be in 1947, he said. New England Mutual got its charter in 1838, but required several years to organize and did not issue its first policy until after Mutual Benefit, he commented.

Mr. Atwood delivered a lecture on "Interesting Aspects of Life Insurance" before the George Washington University alumni and student councils, reviewing a century of life insurance.

### Harrison General Agent of Berkshire Life at Louisville

E. Randolph Harrison has been appointed general agent of Berkshire Life at Louisville.

Mr. Harrison, who attended University of Louisville, University of Virginia, and the New York University life insurance training school, has had 19 years in life insurance, mostly in New York City, as agent, supervisor, assistant general agent and home office field assistant. He returned to Louisville in February, 1942, as an independent broker specializing in estate planning.

Mr. Harrison is the son of the late William H. Harrison, former president of Bethel College in Hopkinsville, Ky., general agent and assistant superintendent of agencies of Connecticut Mutual, and vice-president and director of agencies of Atlantic Life.

Mr. Harrison has established his new office in the Starks building, Louisville.

In reporting that A. S. Carstens, formerly group manager at Detroit for John Hancock had joined New England Mutual there, it was erroneously stated that he had been located in Detroit since 1944. He has been in Detroit since 1941. The Ford group case, for which he was in large part responsible, was written by John Hancock in 1942. Mr. Carstens will continue to concentrate on group and pension business.

Vice-president and Secretary Howard J. Brace of Occidental Life of California now is a grandfather, a son having been born to Lt. James C. Brace and Mrs. Brace. The young man has been named James Jay. Lt. Brace is with the tank corps in Europe.

## SALES IDEAS OF THE WEEK

### Sales Clinchers Presented at S. F. by C.L.U. Chapter

SAN FRANCISCO—Practical ideas on the approach, presentation and close were presented by six personal producers before the San Francisco Life Underwriters in a program prepared by the C. L. U. chapter. Each section of the association is now responsible for one monthly program with a cup being awarded at the end of the year for the best program.

The "approach" was handled by Thomas A. Gallagher, assistant manager Prudential, and Elwood T. Starbuck, general agent Provident Mutual Life. Leonard M. White, Northwestern Mutual Life, and Walter J. Lennox, New England Mutual, covered the "presentation," while C. H. Linford, Johnson & Higgins, and D. B. Wentworth, Wentworth Co., discussed the close.

Mr. Gallagher told how he invited a 41 year old attorney to play golf with him on Jan. 7, 1968, pointing to his own personal love of the game, and further that he could not play golf alone so wanted to be sure that the prospect had the leisure and means to enjoy a game at that time. It worked and Mr. Gallagher got the app.

#### Takes Advantage of Opportunity

Another prospect could not buy more life insurance because he had to take care of his aged father. He was just sending the usual \$50 monthly check to his father when Mr. Gallagher called. The following approach did the trick: "Do you want to have to ask your children to send you money when you are too old to work?"

Mr. Gallagher queried a woman receiving alimony payments what she would do in the event of her former husband's death. He then inquired: "Would you consider paying \$34 per month out of the \$175 you are receiving to guarantee continuance of the \$175 even following the death of your former husband?" The sale was made.

Mr. Starbuck told how he uses the social security approach, emphasizing that the prospect must quit his job in order to collect so it is necessary to have additional income to supplement social security.

#### Saves 94% of Premium

Mr. White often delivers premium notices in person. In one case he showed a policyholder whose policies had been in force since 1933 that because of the increase in cash value, he was actually saving 94% of the current premium. In this way he sold another \$12,500 policy.

Mr. Lennox related his experience in selling a young doctor.

There is no distinction between the approach, presentation and close in a well-conducted interview, Mr. Linford declared. In some instances, however, it is necessary to "take off the gloves" and use a "kill or cure" close. A successful but egotistical attorney making between \$12,000 and \$15,000 a year had \$6,000 insurance and about \$50,000 in securities. Mr. Linford said: "I am awfully glad that all of your securities are in your wife's name" to which the prospect replied "they are not." "Well," Linford said, "they should be because you seem to have supreme confidence in her ability to raise your children and to take care of herself." There was more discussion along the same line, with Mr. Linford insisting that the securities should be in the wife's name "as she is a better manager than you are." The net result of the interview was \$25,000 ordinary life programmed to give monthly income and a retirement fund at 65.

In his experience, Mr. Wentworth pointed out, business can be closed by

simply introducing oneself, stating one's business, asking one or two leading questions and then listening and observing. He told how the picture of the prospect's baby had given him an effective opening for an educational policy.

John P. Williams, director advisory department American College of Life Underwriters, was a guest. He later spoke at a dinner meeting of the San Francisco C. L. U. chapter.

### Constitution-Postal Union Plans

LOS ANGELES—Constitution Life has filed an application for a permit to issue new stock and for approval of the proposed merger with Postal Union Life. Constitution Life seeks authority to issue 100,000 shares of new stock of \$5 par which would be exchanged on the basis of two shares for each share of Postal Union and share for share of present Constitution stock.

Harry W. Stanley, Equitable of Iowa general agent, was honored by the Wichita Rotary Club at a past presidents meeting. He was first president and founder of Wichita Rotary Club and was a vice-president of Rotary International when it was first organized.

## THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

*Protects  
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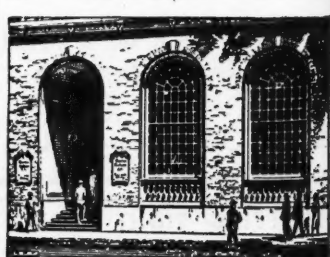
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Aggressive medium-size middlewestern life insurance company needs an experienced junior life underwriter. Salary dependent upon experience. All replies considered confidential. Address A-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.





"I hear the war's practically over...back home!"

PROBABLY it's only natural for us here at home to feel that the war's almost won, the way the good news has been pouring in.

But the war's not over for *him*—not by a long sight! And he's just one of millions who will stay over there until they finish the bloody mess. Or kill time for a few months—or years—in some hospital.

What about *you*?

This is no time to relax. No time to forget the unfinished business. It's *still* your war, and it *still* costs a lot.

So dig down deep this time. Dig down till it hurts,

and get yourself a hundred-dollar War Bond over and above any you now own—or are now purchasing. This 6th War Loan is every bit as important to our complete and final Victory as was the first.

Don't "let George do it"—get *yourself* that *added* bond and help finish a magnificent job *right*. The quicker you reach down deep, the better you do *your* job for war, the more you'll contribute to ending the fight. And the quicker they'll come back—the guys that can *still* be killed.

After all, you're safe and sound and home. *That's* worth another hundred-dollar bond to you *isn't it?*



Buy at least one extra \$100 War Bond today!

*The* NATIONAL UNDERWRITER

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# The *a b c* of DIABETES

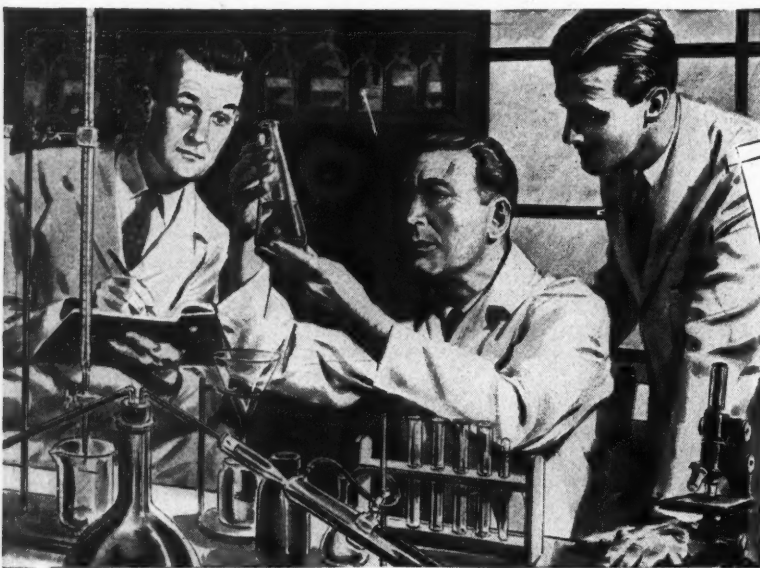
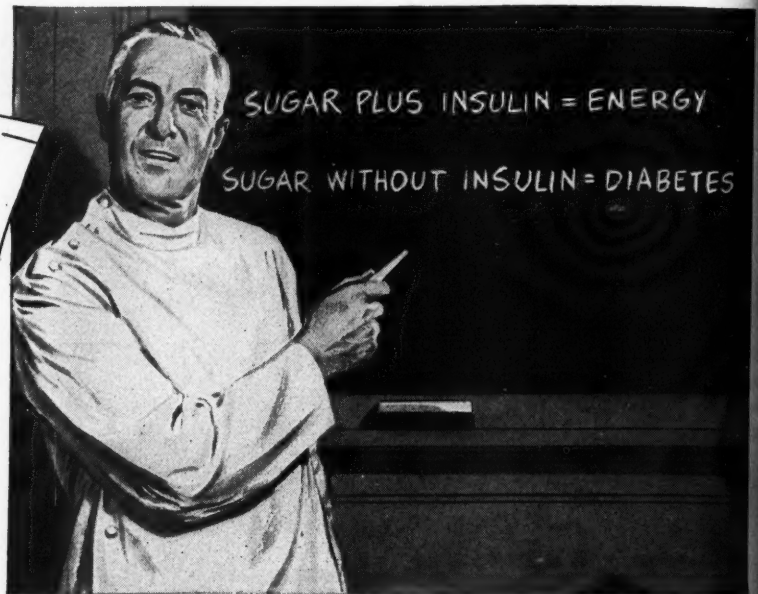
**What diabetes is.** Certain cells in your body—in a gland called the pancreas—produce a substance named *insulin*.

This enters your blood stream and enables your body to store sugar and convert it, as needed, into muscle energy.

Lacking insulin, sugar would simply accumulate in your body. You would become unquenchably thirsty for water to carry this excess sugar from your system—*unused, wasted*. You would be constantly hungry because of the calories lost. And even though you ate a great deal, you would probably lose weight steadily.

You would have diabetes.

*a*



*b*

**How diabetes is treated.** Thirty years ago, if you developed diabetes, your chances of living long would have been rather poor. But today, if you had it, your chances would be good for living as long as you would *without* diabetes.

And you'd probably owe most of these added years to a miraculous discovery made in 1921: that insulin can be extracted from the pancreas of certain animals, and that injections of it permit a diabetic to use the sugar and starches in his diet.

Many advances in insulin treatment have been made since its original discovery. Today most diabetics can live virtually normal lives, with proper diet and exercise and insulin—although not *all* diabetics require insulin.

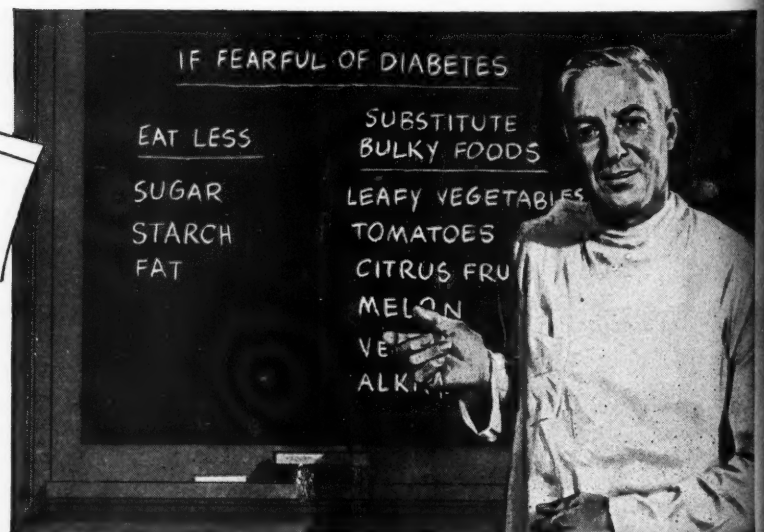
**How to guard against diabetes.** Medical science has not yet discovered why certain people develop diabetes. But research has revealed who are its most likely victims. They are:

**1. Middle-aged, overweight people**—You can't, of course, do anything about middle age. But you *can* guard against overweight by controlling the amount you eat—limiting the intake of sugar, starch, and fat—and by getting plenty of healthful exercise.

**2. People who have diabetes "in the family"**—Predisposition to diabetes is hereditary. Therefore, if anyone in your family has had diabetes, you should pay particular attention to diet and exercise. Above all, you should have periodic—at least annual—physical checkups *with urinalysis*.

*c*

Of course, this is only the a-b-c of diabetes. For a more detailed explanation, send for Metropolitan's free booklet—"Diabetes."



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